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**FOREIGN  
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# ***JPRS Report***

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## **East Europe**

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1 SEPTEMBER 1987

## EAST EUROPE

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## WARSAW PACT BERLIN CONFERENCE ASSESSED

East Berlin EINHEIT in German Vol 42 No 7, Jul 87 (signed to press 10 Jun 87)  
pp 626-631

[Article by Guenter Sieber, member of the SED Central Committee and director of the SED Central Committee's Department for International Relations: "The Berlin Session: for Peace and Disarmament"]

[Text] The conference of the Warsaw Pact members' Political Consultative Committee which--in line with the rotational agreement--convened in the GDR capital in late May of this year, focused on the most crucial tasks of our time, namely, the prevention of a nuclear inferno, discontinuation of competitive rearmament and concrete steps toward disarmament. With the results of that consultation, the allied socialist countries have made a significant contribution to restoring the health of the complicated and tension-filled international situation. New important impulses emanated from Berlin, the "city of peace," to reduce the military tension in Europe and the entire world.

The Berlin conference demonstrated again that peace and socialism are inseparably linked and that socialism has put before the world a complex conceptual system of international security and disarmament. Its proposals are based on concrete steps for disarmament and they do not omit arms of any type. The worldwide reaction has also shown that the conference outcome serves as an encouragement to all reasonable and realistic forces.

This highest political body of the Warsaw Pact met at a time when, according to Comrade Erich Honecker, "the world has an opportunity for the first time in decades to improve its situation by drastically reducing its nuclear weapons and all mass annihilation arms and by making radical armament cuts in the area of conventional weapons." (1) In a joint statement, the SED Central Committee's Politburo and the GDR State Council and Council of Ministers expressed their full agreement with the results of the Berlin meeting, stating that "Following a thorough analysis of global developments, the allied socialist countries have coordinated their future program and a series of important new steps with their goal to put a stop to global competitive rearmament and prevent it in space." (2)

Although it has not been possible so far to get a handle on competitive rearmament, a series of recent changes in the global political climate cannot be overlooked. This is due to several factors:

First, this political climate is primarily characterized by the flexible and dynamic

initiatives of the USSR and other socialist countries with regard to disarmament and tension relaxation that meet the needs of the nuclear age and demonstrate the new approach to international relations this era requires. The states of the socialist community have submitted to the world a complex, detailed and complete disarmament concept that covers all nuclear and space weapons and all conventional and chemical weapons. It is concrete, concise and constructive. Both the joint as well as the individual proposals submitted by the socialist countries are included in the discussion of the issues that are vital to mankind. It becomes increasingly clear today that their realization and the Western positions are at the center of the global political struggle. At the same time, the far-reaching plans of the socialist countries and the energy they devote to peaceful reconstruction, underscore the importance of their peace policies, which are inseparably linked to them, and of the confidence the international public has in these policies.

Second, the influence of a worldwide coalition of reason and realism, whose adherents are of the most diverse political and ideological persuasions and take differing social positions but are united in their determination to prevent a nuclear inferno and work for the survival of mankind, is growing. The worldwide peace movement has reached a new quality that is increasingly more effective in its work against continued rearmament, a course the most reactionary imperialist groups are pursuing.

Third, past negotiations on disarmament issues and the strengthening of mutual trust as well as international cooperation have demonstrated that positive results can be achieved if the principles of equality and equal security are observed through the design of effective controls and the necessary political will. This was shown in the final document adopted by the participating CSCE countries last fall in Stockholm, and above all, it is reflected today in the international reaction to Soviet proposals for dismantling the Soviet and U.S. intermediate-range ballistic missiles in Europe. It should not be overlooked that, in light of the situation that has evolved, certain imperialist circles are going to great length to prevent such an agreement and hence the extremely important beginning of a worldwide process of genuine disarmament. They want to firmly hold on to the rearmament course; they fear that adoption of an agreement on the removal of intermediate-range ballistic missiles might create a favorable atmosphere for further disarmament, e.g., of strategic weapons. However, the flexible and constructive Soviet position and the proposals of the socialist countries--which are based on Western proposals--to eliminate the intermediate-range ballistic missiles for shorter distances in Europe as well and to disarm in the area of conventional weapons have undercut all excuses and all "reservations" voiced at meetings. Despite the progress that has since been made to win Western governments acceptance of the so-called double-zero solution, much work still needs to be done and an energetic battle must be fought to arrive at a promising agreement. The forces of the military-industrial complex do not want to give up their goal of world domination, nor do they want to do without the excessive profits they can earn from arms sales. A change towards relaxation and disarmament can only be achieved through the unrelenting, active and flexible efforts of all peace-loving forces throughout the world.

#### Constructive Socialist Proposals

Conscious of their historical responsibility to ensure a peaceful future for mankind on a stable, durable basis, the chief representatives of the Warsaw Pact



member countries discussed in Berlin ways and means of how to accomplish concrete disarmament, particularly in Europe, where the two strongest military alliances of the world are facing each other. Adoption of the Warsaw Pact countries' proposals for limiting rearmament, for disarmament and building confidence and cooperation among all countries on the Continent would create a more favorable atmosphere for the worldwide solution of the key issues of our time. With this in mind, the Berlin consultations focused on practical tasks that would lessen military tension in Europe, and on measures that would continue to deepen and enhance intra-European cooperation.

The starting point for the attempts of the socialist countries to deal with the war-and-peace issues is derived from the intrinsic socialist principle of peace that has existed for, and been developed over, a period of seven decades--beginning with the victory of the October Revolution--as an effective socialist reality of international politics. Based on the deeply humanistic character of socialist policies, the Warsaw Pact members emphasize in the document they submitted to the Berlin conference the exclusively defensive character of their alliance. As an expression of their willingness to maintain peace and of their determination to ban war from the life of mankind, the document reaffirms that never and under no circumstances will the Warsaw Pact states start military actions against any country or alliance of countries unless they themselves face an armed attack, that they will not be the first to use nuclear weapons, raise any territorial claims and consider any people as their enemy. They reaffirm their allegiance to the basic principles of the coexistence of states and people as laid down in the UN Charter, the final Helsinki report and other documents of international law. The military doctrine of the Warsaw Pact countries centers on the principle that the military-strategic balance must be kept at the lowest possible level and that--based on equality and equal security--the military must be reduced to a level that is adequate and necessary for defense. The Warsaw Pact countries do not demand for themselves more security than any other state, but they do not demand less either. At the same time, the document on military doctrine adopted by the Berlin conference is an open invitation to NATO to exercise mutual restraint in military matters and an appeal that they relentlessly pursue the path that will promote mutual confidence. With this in mind, the proposal was made to the NATO members to participate in consultations designed to "reduce distrust, reach a better understanding of the intentions of both sides, and ensure that the military concepts and doctrines of both military blocs and their members are based on the principles of defense."(3)

The time has come for NATO to distance itself from the doctrine of "deterrence," which, in our day and age, does not make any sense, leads to more and more rounds of rearmament and is promoted as "forward strategy" by states which so far have been unwilling to renounce a first strike in the use of nuclear arms.

The Berlin meeting of the Warsaw Pact members has emphasized the practical steps that are possible and must be taken today with regard to nuclear disarmament in order to put a stop to mankind's sliding into a nuclear catastrophe. This applies to intermediate-range ballistic missiles, operative-tactical missiles and tactical nuclear weapons as well as strategic-offensive weapons while the ABM Treaty as well as nuclear arms testing must be tightened simultaneously. Agreement on the elimination of intermediate-range ballistic missiles is, however, of primary importance. Whether or not this will be accomplished will determine to a significant degree the future development of the international situation and of international relations.

Of foremost importance for our disarmament efforts in other nuclear weapons areas would be the development of "basic rules" for Soviet-U.S. agreement on strategic offensive weapons, on tightening the regimen of the ABM treaty and on nuclear weapons tests, it was stated at the Berlin meeting of the Warsaw Pact members' Political Consultative Committee. "Next to a treaty on intermediate-range ballistic missiles, they could be the subject of a Soviet-American understanding at the highest level and the basis for devising legally binding Soviet-American agreements,"(4) the conference communique notes.

To prevent the militarization of outer space remains a priority task--the documents of the Berlin meeting make this unequivocally clear. Space must only be used for peaceful purposes and the welfare of all mankind. Antisatellite systems and "space-to-earth" weapons must not be placed into the universe. This is what we have to continue to fight for.

As for conventional arms and the military, the member countries of the socialist defense pact referred to their June 1986 program for the reduction of both the armed forces and conventional weapons, and they expressed the view that such reductions must be made simultaneously and together with tactical nuclear arms. They stated their willingness to remove the asymmetry or imbalance in some elements that have developed in Europe in the past in the conventional area in such a way that "whoever is ahead will make the appropriate reductions." (5) In addition, NATO was asked to announce a 1-2 year moratorium on military spending and to exercise the utmost caution in developing its military potential. This is in contrast to the resolution adopted by leading NATO bodies in late May in Brussels, namely, to permit, in general, a 3 percent annual increase of military spending as a general rule--because, as they "argued," "possible disarmament agreements on nuclear weapons in Europe make it more urgent than ever before to strengthen NATO's nonnuclear, conventional rearmament." This example demonstrated to the world once more where the political will to limit rearmament comes from and which side puts up obstacles to block it.

The proposal made at the Berlin conference that a meeting of the foreign ministers of both military alliances be held to pass a resolution to enter into far-reaching negotiations on the radical reduction of the armed forces as well as conventional and tactical nuclear weapons in Europe, accompanied by a corresponding reduction of military expenditure, requires a clear--and hopefully--constructive response from NATO.

The Political Consultative Committee of the Warsaw Pact countries advocates strong and effective controls on compliance, with all commitments to be accepted by both sides within the framework of disarmament. Past Western demands with regard to controls have proven to be excuses, now that the socialists are focusing on this issue and all its implications. The Western countries are now expressing doubt and opposition to on-site inspection. They claim that such controls are in the hands of private business or transnational monopolies and that even official government agencies cannot exercise them. It is up to the NATO members to clarify this situation. Controls can and must be based on reciprocity. The thinking of the Warsaw Pact countries on this problem is reflected in the Berlin conference communique.

In view of the importance of this development in Europe for global disarmament and relaxation, the Warsaw Pact countries have underscored their determination



to constructively promote the work of the Vienna meeting of CSCE representatives in order to obtain significant and balanced resolutions on real progress in the areas of disarmament, strengthening of confidence and the enhancement of the political, economic and humanitarian relations of these countries. In general, political dialog and cooperation in Europe are more important if they are aiming at creating more material, political-legal and moral-psychical guarantees for peace and the practical realization of security through political means. In this connection, the Political Consultative Committee supported the initiatives of the GDR, the CSSR, the People's Republic of Bulgaria and the Socialist Republic of Romania to set up free-zones for nuclear and chemical weapons. The Polish proposal to reduce rearmament and build confidence in Central Europe was also strongly supported. These initiatives prove to be effective ancillary measures to disarmament and arms limitation on the European continent. Thus, the GDR and CSSR proposal to establish a nuclear free-zone in Central Europe and the proposals in the area of intermediate-range ballistic and operative-tactical missiles are gaining increasing importance as a practical way of eliminating tactical weapons as well.

At its Berlin meeting, the Warsaw Pact's Political Consultative Committee has taken a clear and unequivocal position on the major issues of our time. Together with the USSR and the states of the socialist community, the GDR--in cooperation with all peaceloving forces in the world--is using all its influence to ensure the survival of mankind. To accomplish this, the extent and pace of the future development of socialism's material and intellectual potential are of critical importance. This is the basis for our party's views on this subject. Taking into account the close linkage between our internal and external development, it believes that it is its international responsibility to contribute actively and creatively--in line with the actual conditions in the GDR--to the joint peace strategy of the socialist countries, in line with the concrete circumstances in the GDR.

True to their commitment that no more wars will be starting from German soil, but only peace, the SED, SPD and KPD have tabled a proposal to establish a Central European corridor that is free from nuclear and chemical weapons.

In support of Mikhail Gorbachev's peace initiative of 28 February 1987 concerning the elimination of intermediate-range ballistic missiles, Comrade Erich Honecker has contacted FRG Chancellor Kohl. He has stated GDR willingness to discuss with the USSR the withdrawal of the longer-range missile systems stationed in the GDR, once a treaty on the elimination of intermediate-range ballistic missiles in Europe has been signed. Comrade Honecker has sent similar messages to several West European heads of state and government chiefs. These initiatives are based on the belief that in today's world, security is only possible through joint efforts, and their objective is to strengthen the joint efforts of all peaceful forces, of reason and realism. The policy of dialog remains a crucial element in shaping a coalition based on reason and realism, and that was again demonstrated during Comrade Honecker's state visit to the Netherlands. The SED will continue to work toward that goal in the interest of peace, relaxation and the resolution of other urgent global problems of our time.

The SED believes therefore that it is extremely important to ensure a stable, dynamic economic and social development on the basis of the most modern achievements of scientific-technological progress. This position guides all its efforts to fulfill the resolutions adopted at the 11th party congress. It is also the starting

point for bilateral and multilateral cooperation within the framework of the socialist community.

Our strong alliance with the Soviet Communist Party and the USSR and with the other brother parties and states remains an important basis for continued successful development of our country. The secretary general of the SED Central Committee reaffirmed during the Political Consultative Committee conference that the GDR, as a reliable partner of the alliance, will continue to make all possible bilateral and multilateral efforts to contribute to the realization of the agreed peace strategy of our community of states.(7)

#### FOOTNOTES

1. Erich Honecker, "Wichtige Impulse in weltweiten Ringen fuer ein friedliches Zeitalter" [Important Impulses in the Worldwide Struggle for an Era of Peace], NEUES DEUTSCHLAND, 30/31 May 87, p 3.
2. NEUES DEUTSCHLAND, 5 Jun 87, p 2.
3. "Ueber die Militaerdoktrin der Teilnehmerstaaten des Warschauer Vertrages" [On the Military Doctrine of the Warsaw Pact Member Countries], EINHEIT, Vol 42 No 7, p 588.
4. Ibid, "Communique of the Meeting of the Warsaw Pact Members' Political Consultative Committee," p 581.
5. Ibid, p 582.
6. See NEUES DEUTSCHLAND, 10 Jun 87, p 5.
7. See Erich Honecker, op. cit., p 3.

7821

CSO: 2300/350

## FEDERAL ASSEMBLY CHAMBERS AMEND MATERNITY LAWS

LD231445 Prague CTK in English 1235 GMT 23 Jun 87

[Text] Prague, 23 Jun (CTK)--The Czechoslovak Federal Assembly passed today new bills on amendments to the law on maternity grants, on changes in sickness benefits and on raising pensions in cases when they are the only source of income.

On this occasion, Czechoslovak Minister of Labour and Social Affairs Miloslav Boda said that the new law on maternity grants ensures each mother monthly maternity grants up to 3 years of age of her younger or youngest child in case she cares for two or more children (up to the present mothers were paid these grants up to 2 years of age of the younger child). In tune with the same law, the maternity grants are increased from 600 crowns a month to 800 crowns in case the mother, entitled to maternity grants, cares for at least two other children.

The maternity leave in Czechoslovakia is now 26 weeks during which the mother is paid monthly grants amounting to 90 percent of her salary. The maternity leave will start 6 weeks (instead of the present 4) before the anticipated delivery so that the best conditions are created for reducing the number of endangered pregnancies. In harmony with these amendments, allowances will be granted also to fathers in special cases, i.e. when the father cares for a new-born child and therefore does not go to work.

The new law on sickness benefits provides for the extension of these benefits to either the mother or the father from 3 to 5 days in case their child under 15 years of age or another member of the family are ill. In case of need, these benefits can be paid for an extra 2 days.

The minister further said that pensions will be raised in case they constitute the only source of income. The new law is the first step within the planned changes of the whole pension scheme in Czechoslovakia.

/9604

CSO: 2020/140

## 'INCREASING COOPERATION' WITH SLOVAK COOPERATIVES ON BORDER

Budapest NEPSZABADSAG in Hungarian 22 Apr 87 p 9

[Article: "Increasing Cooperation With Slovak Cooperatives. Exchange of Service Parts, Chemicals, Seed Grain"]

[Text] The cooperation which has been maintained for ten years between Szolnok county and Slovakian agricultural enterprises is being further expanded this year. It has already become routine that--beginning with the spring sowing until the autumn harvest--there is mutual assistance, in terms of power- and labor-saving machines, between the TSZ's [agricultural cooperatives] and state agricultural enterprises of the Jaszag, Nagykunsag and the banks of the Tisza river, and the agricultural enterprises of the districts of Losonc, Rimaszombat and Nagykurtos. For instance, wheat ripens considerably later at our Northern neighbors than in our country. Therefore, the Slovakian combine crews begin their work on the Hungarian Plains; they arrive here with 80 to 100 harvester-thresher machines and, after the work is completed, the assistance is returned by the combine crews of the Szolnok Megye enterprises.

The participating enterprises have now decided to extend their cooperative relationship to the exchange of machine parts, chemicals and seed grain, and also the sharing and utilization of innovations and inventions. The cooperation is the more reasonable because they work with largely identical types of machines, Zetor tractors, Tatra and Skoda trucks and combines manufactured in the GDR. With respect to the exchange of seed grains, the Slovakian enterprises provide barley, wheat and peas in exchange for the Hungarian wheat, corn and sugar beets.

2473

CSO: 2500/368

## LOCAL COUNCILS ENCOUNTER PROBLEMS OF COORDINATION, WORK STYLE

Budapest MAGYAR HIRLAP in Hungarian 28 May 87 pp 1, 6

[Text] At their meeting on Wednesday, the central leadership of the Union of Public Workers discussed council activities. Lajos Papp, undersecretary, president of the Council Office of the Council of Ministers emphasized that, by the elimination of the districts, modification of the election system and the expansion of socialist democratism, the character of the councils as representatives of the population has become stronger. As a result of greater council independence, 95 percent of the concerns of the population are already taken care of locally. Official transaction of affairs--with 20 to 22 million clients, nearly 9 million documents filed and 1.5 million decisions a year--make up a considerable part of council activities.

He pointed out that management by the councils last year was successful: their 156 billion income projection was overproduced by 4 billion forints. The value of social work by the population and of their participation in joint actions--construction of water and gas pipes--added 16 billion forints to the council funds.

He mentioned that today a decisive fraction of the tasks, the range of activities and monetary instruments are already in the hands of the councils; for this reason, too, a more effective harmonization of initiatives by the population and the councils is necessary. In the future, increasing scope must be given to the voluntary organizations, associations and groups of society in the interest of the improved satisfaction of social needs. The councils must also adapt their work style to the social-economic changes. (We shall return to a detailed reporting on the session of the central leadership in the Friday edition of our paper, under 'Forum of the Councils.')

2473

CS0: 2500/395



## WIDER ROLE DEMANDED FOR PARLIAMENT IN ECONOMIC, OTHER AREAS

## PPF Discusses Problem

Budapest MAGYAR NEMZET in Hungarian 12 Jun 87 p 3

[Article by I. J.: "Lawmaking, Referenda, Partnerships--Debate in the People's Front About Law Proposals in the Making"]

[Text] The Secretariate of the National Council of the Patriotic People's Front held a meeting on Thursday for county and capital city people's front activists dealing with matters of public law at the Front's Obuda headquarters. Following Secretary Dr. Bela Molnar's opening remarks, Dr. Istvan Kukorelli briefed the guests about the topics currently before the committee. According to him 3 major issues have been discussed recently: lawmaking, the feasibility of public referenda and a proposed statutory provision to regulate partnerships. Also scheduled for the end of this month was a second debate by the Public Law Committee about a--this time more mature and better refined--law proposal aimed at straightening out our system of legal sources. It appears that the intent of the proposed law--after having been adjusted to reflect some of the criticism expressed earlier by the people's front committee--is to involve our various sociopolitical elements in lawmaking which heretofore had been a predominantly administration-centered process. As the speaker pointed out, the proposal offered a slightly different answer to the question: where does law come from?

The incorporation into law of the various possible forms of civic participation will be more easily perceived as a legal norm established on the basis of a consensus arrived at by taking both conflicting and common interests into account, than as if it had been unilaterally prescribed. The proposal also calls for the identification of so called legislative topics; however, it should be pointed out that leaving intact the right of the Presidential Council to assume the functions of Parliament as proposed, would make it more difficult to be consistent in implementing this principle.



In the course of the discussions there were several complaints that the suggestions offered during social debates on various law proposals often received no response or feedback whatsoever. This, it was pointed out, demotivated the participants who already found it strange to have been asked to give an opinion about a political decision that had already been made. There was also agreement, that the Presidential Council's continuing right to assume the role of parliament was no longer justified by the existing political conditions. Also mentioned was the need for more time to prepare and debate laws in Parliament.

#### Parliament Debates Own Role

Budapest MAGYAR NEMZET in Hungarian 20 Jun 87 p 3

[Article by (molykuti): "Debate in the Planning and Budget Committee--In the Future, Economic Decisions Should Not Be Made Without the Parliament"]

[Text] A meeting was held at the Parliament on Friday by the Planning and Budget Committee of the National Assembly where members of the committee wrapped up preparations for the summer parliamentary session.

First on the agenda was a report by Deputy Prime Minister Jozsef Marjai on the status of various structural and organizational developments aimed at giving our economy a more export-oriented profile. Next to address the group were the representatives of some of the standing committees of the National Assembly who summed up the experiences of their debates on the 1986 budget. They outlined the accomplishments and problems of their respective branches of the national economy, and recommended that the proposed law on the execution of the budget be enacted. The members of the Planning and Budget Committee, however, were unable to learn anything about the positions of the Cultural and the Settlement Development and Environmental Protection Committees as the representatives of those two bodies expressed no opinion at Friday's session.

Apart from such generalities, there were two committee views that were received with great interest by everyone participating in the debate which took place in the main floor conference room of the parliament building. Speaking on behalf of the Industry Committee, Pal Gagyor (Budapest) presented a view that had been formulated on the basis of 13 different comments. According to this assessment the results of virtually every effort made during the past 2 years have been offset by deeply rooted causes that have proven to be immune to Band-Aid solutions... The government measures introduced so far have only partially addressed the problems and have failed to go far enough;

consequently, they have been unable to stop and reverse this process of deterioration that had begun years ago. The implementing authorities have made too many concessions to partial interests at the expense of society as a whole. The negative consequences of this were clearly reflected in the execution of last year's budget. Aware of these problems, Pal Gagyor stressed: "In order to bring about the necessary changes in the main areas of economic development we need to effect improvements in our economic policy and management, i.e., in the operation of our economic system as a whole. If we fail to do so our goals and objectives will remain nothing more than wishful thinking..." The Industry Committee of the National Assembly was particularly displeased with the final report on the implementation of the 1986 budget. It was displeased because the decisions agreed upon earlier by the National Assembly had not been put into effect. The only way to attain our goals, he said, was by accelerating the implementation of plans aimed at transforming the structure of industry, which required a collective effort on the part of our entire government.

In his presentation of the Trade Committee's assessment of the general economic situation Karoly Hellner (Budapest) warned that our foreign trade and budget deficits and the problems behind them were beginning to threaten the very future of our country. As we analyze the causes of our problems and contemplate new plans to alleviate them we can no longer proceed from the assumption that our economic policies are sound and that the only improvement needed is in their implementation... The deputy also cautioned that in the future the government should refrain from trying to improve the economic situation by cutting back consumption.

After the committee reports several members of the Planning and Budget Committee also expressed individual opinions about the implementation of the budget. Sador Puskas (Heves County) spoke with concern about the national deficit which, he said, was double the level projected in the annual plan. Regarding the future, he called for real cuts in overall enterprise subsidies and social expenditures. Kalman Szabo (Budapest) called attention to certain age-old problems that kept coming back to "haunt" the deputies at every parliamentary debate. Important plans and programs, including the Seventh Five-Year Plan law, are never fulfilled or carried to conclusion. In the case of the Plan, according to the deputy, this means that after careful analysis Parliament will have to amend the existing law.

In the future we must avoid allowing decisions to be made by circumventing the National Assembly while at the same time holding it responsible for their failure. As an example, Kalman Szabo brought up the case of the 32 billion-forint central bank

loan which the "Honored Parliament" was asked to approve retroactively, after the money had already been signed for by the government. In such instances, too, the deputy's responsibility, i.e., his duty to keep his constituents informed, will be more pronounced than ever before. Conscious of this responsibility, Szabo concluded by offering the following suggestion: future state budgets should have built-in "ringers," i.e., spending limits established by the National Assembly which could not be exceeded by the government without again obtaining approval from the National Assembly. Insisting on adherence to this procedure is one of the statutory rights of Parliament.

The remarks heard during the debate--which had also included comments by Laszlo Cselotei (Pest County), Lajos Horvath (Baranya County), the secretary of the committee, Zoltan Kiraly (Csongrad County), Laszlo Pesta (Budapest) and Istvan Polgar (Hajdu-Bihar County)--were later addressed by Minister of Finance Peter Medgyessy. As he pointed out, the political changes that have occurred in recent years have made deputies more aware of the responsibilities of their office. This was clearly observable during the debate, and was reflected in the constructive criticisms and observations aimed at establishing more effective controls over the activities of government. He discussed some of the factors that had contributed to the deficit, and described the tax reform as one of the means necessary to bring about long needed structural changes. Speaking in conclusion about this year's economic processes he conceded that while some of the indicators had been favorable, in the most crucial areas there had been no progress made.

The session adjourned following some closing remarks by Jozsef Bogner, chairman of the Planning and Budget Committee, without the committee having taken a collective stand on the execution of the 1986 budget.

9379

CSO: 2500/416

## LOCAL POPULATION SAID TO CHANGE VIEWS ON CONTROVERSIAL DAM

Budapest NEPSZABADSAG in Hungarian 29 Apr 87 p 5

[Text] A solitary house stands on the mountainside above Nagymaros. The 70 year old Antal Veizer just moved out of it. The family took possession of the two-story building in 1978 but, a week later, they received notice that their house will soon be taken over because of construction of the Nagymaros hydroelectric power plant.

Nearly a decade was spent amidst uncertainties, the walls are still unplastered.

## Monthly Reception Day

Antal Veizer has calmed down by now because he received decent compensation for the expropriated house and lot. Based on an assessment by the University of Agrarian Sciences of Keszthely, he was also compensated for the large cherry tree and the raspberry bushes. The exchange lot is five minutes away and he would like to build the new house within the year. Road, electricity, water and sewage pipes are already in there, giving him hope that his new house will be ready within three months. On the site of his old house, a housing settlement for workers of the hydroelectric plant is going to be raised soon.

According to Tibor Honved, chief engineer of development of the National Water Conservation Investment Enterprise, work is also in full progress on the domestic side of the Bos-Nagymaros dam system built jointly by Czechoslovakia and Hungary. The water reservoir is under construction in Dunakiliti and preparations have also started for construction of the 160 megawatt hydroelectric power plant in Nagymaros. The Nagymaros power plant is being built outside of the populated area where two enterprises had to be closed. At the housing site for the future base of operations and on one of the stretches leading to the construction, a total of 13 houses had to be expropriated. We repeatedly discussed the expected difficulties and advantages of this large-scale construction with the local population. I myself have a reception day each month and can safely assert that the people of Nagymaros are not complaining, they have acknowledged the situation.



Construction of the main sewage line and drinking water network was started simultaneously with the expropriation. The main road, equipped with public utilities, must be opened by 1 August of this year. This will also include the widening of a tunnel on the international railroad line. Bids were requested for the construction of the housing settlement on the site above the village where a hostel for several hundred workers, a kitchen and dining room to supply 1100 people, an ABC small department store and 31 alpine-style pavillions must be completed by 1990. These and the sport fields established in the surrounding area can be used by the large township as housing or recreational facilities after the power plant becomes operational. The Danube is opposite, with the castle of Visegrad high above. The picturesque surroundings will certainly become a favored tourist site--explains the chief engineer.

#### The Bend of the Danube Remains Intact

When preparations for the power plant construction were started, the staff at the technical department of the local council was increased by two. The staff has much to do not only here but also in the 12 other neighboring villages. Recalling the very first tasks, Department Chief Laszlo Bacher relates how many questions had to be answered at the village meetings. For instance, together with the experts of the investing enterprise, they succeeded in convincing the local population that the lockage of the boats will not be noisy and that the construction site will be restored to its original state by adding a new layer of humus and transplanting established trees on the basis of an environmental protection plan. The population was relieved to learn that, also taking into consideration their recommendations--with the help of bids--certain details were modified in the blueprint of the hydroelectric power plant. The establishment will not include a repair service plant area, or a heating plant with stacks, and the service buildings will be put underground.

There was more smoke than fire--attempts to summarize the local experiences Laszlo Melisek, member of the technical department staff. The people of Nagymaros are particularly happy about the bridge stretching above the power plant. Although the Danube could never separate us from the other bank, since King Matthias also came here to hunt from Visegrad, nevertheless, this bridge will be different from the earlier boat or current ferry rides. Even greater is the joy that Nagymaros can also finally develop. Until now, our development was also delayed with every delay in the construction of the power plant.

We go down to the bank of the Danube. The ferry is ready to cross the river. It will continue to make this trip between the right and left banks several hundred times and, if construction can be successfully accelerated then, in the summer of 1992, when the first large machine unit of the Nagymaros power plant is put into operation, the ferry will stop forever.

The river is flowing gently in the spring sunshine. Many people were against the construction of this establishment fearing for this beautiful sight, the picturesque river bend. But the bend remains untouched. Tibor Honved shows us that the construction will span the river above Nagymaros and Visegrad, a good three kilometers from the large bend, on a straight stretch of the river.

We don't need commiseration either for this or for anything else--adds Tibor Adam, secretary of the large township party committee. After 25 years of uncertainty, we too can progress finally. We will gain much when this large plant is completed. The people living here are well aware of it by now. In the beginning we were also flooded by many doubting, at times malevolent opinions which confused some heads, but through detailed and honest information the local people became convinced by intelligent arguments that the intervention will not damage their environment. The two terminated enterprises do cause temporary employment problems but the people do not blame the power plant. They understand that they are accepting something in exchange for something else. The biggest problem will be the presence of more than 1000 workers who will live and add to the traffic in the village by 1991, during the peak of the construction. We will have to bear with this also in exchange for all the values they will leave behind for our enrichment.

#### Accomplishers and Oglers

Imre Velosy, deputy chief engineer of investment at Oviber lists all that Nagymaros is getting:

By building a new stretch of road (which avoids the village), the many turns in highway 12 will be removed. The water network of the power plant builders will also remain and will supply the population with an additional 1000 cubic meters of drinking water already during the construction. The main sewage collector will be built which will deliver the sewage to the purification plant in Vac. Part of the costs of canalization will be advanced to the population by our enterprise; construction of the entire canal network will be made possible by early next year. The buildings and food store of the already mentioned housing settlement will also remain here; the international long distance phone line will be built. The transformer-substation and cable system of the electric energy network will be expanded. When in operation, the power plant will provide work for 60 to 70 people. A similar number of people can work at the other establishments. It also is not beside the point that the flood control of the settlement will be better than it is now. Furthermore, every permanent installation will improve the possibilities of tourism.

We reach Nagymaros-Felsomezó, the functional area of the future lock system. Two hundred people are already working here. Masons, carpenters, soil workers, their task is to prepare for the construction of the enormous establishment. They are building an electric energy network and an industrial railway, and they have already started to lay down the water and sewage network in several places.

Attila Kiss, head of main construction of the Deep Construction Enterprise which is doing the project, informs us that they have a contract for nearly 400 million forints of work in the area. This also includes the two counterpressure water basins which must be set up on the mountain opposite the site. They are also bidding on the standby housing settlement to be built at the site. The work area, completely prepared for the construction and surrounded by a fence, must be handed over to the Austrian chief contractor by 31 October of next year.



Twenty percent of the physical laborers commute to the construction area from nearby settlements, the rest live in workers' hostels. There is no labor shortage yet but the work is expected to accelerate soon and, therefore, several new work crews of the Deep Construction Enterprise are already prepared to move in lest they lose out to enterprises looking for the large construction awarded on the basis of bids.

#### The Pace Must be Maintained

Within a few months, the bed at this stretch of the Danube will be surrounded by dams so that the foundations of the boat lock and the power plant can be started in place of the artificially diverted water.

The protective establishments on the right bank of the Danube are built by Hungarian experts--relates Istvan Kemeny, deputy director general of Oviber. Much of it will be started this year. In June, we will start work on the shaping of the river bed at Komaron, Esztergom and along the Ipoly river, followed by work--according to the agreement--on Czechoslovakian territory involving embankments of the Lower-Ipoly and Lower-Garam rivers. Maintaining this pace, the first turbine in Nagymaros can be started by the summer of 1992.

At the council house, the model of the future project shows in a neatly arranged form the already completed hydroelectric power plant of Nagymaros, producing energy in an environmentally protective manner and shortening the distance for boats. The row of poplars (a few of which had already died before the preliminary work was started) is replaced by new plants on the model.

And until this becomes reality, not that much water will have flowed down the Danube...

2473

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## VALUE OF EMIGRE WRITERS TO HUNGARIAN CULTURE PRAISED

Budapest NAPJAINK in Hungarian No 6, 1987 p 29

[Article by Geza Vasy: "Getting to Know the Diaspora--Hungarian Literature in the West after 1945"]

[Excerpts] Today the phrase "Western Hungarian literature" is used with natural ease, despite the fact that it is a relatively new and theoretically justly criticizable combination of words. It is used to describe that part of Hungarian literature produced abroad which exists in the countries situated to the "west" of us. This, of course, also includes the Hungarian-language literature of neighboring Austria. The creators of this literature had ended up in the West at different times and at different points of their lives, and the only common characteristic they share is the fact that they are all Hungarian writers living in a foreign language environment. There are many different estimates of the actual number of Hungarian writers living abroad, more than 200 of whom are introduced in this new book. This is an enormous number, especially if we consider that the Hungarian Writers' Association boasts only about 600 members. Two hundred writers can represent a great intellectual force even though, naturally, they may be significantly different in terms of talent. The handbook--inspired perhaps by a little too much benevolence--also includes writers who are obviously borderline amateurs. It was the maturity of Hungarian society, and the erudition of Hungarian literary science that has made this kind of inventory-minded and evaluative assessment possible.

For the handbook does not only take inventory, it also evaluates. It evaluates both in terms of the content of its assessment and the length of its discussion of each author. In a separate chapter, particular attention is paid to 11 writers: Sándor Marai, László Cs. Szabo, Imre Kovács, Zoltán Szabo, György Faludy, Gyozo Hatar, Tamas Tuz, Andras Domahidy, Tibor Hanak, Jozsef Bakucz and Elemor Horvath. The first 5 names on this list had been well-known in our pre-1945 domestic Hungarian

literature already. The others, however, have only become notable authors in the past few decades. Notable? the reader may wonder. Not necessarily because he wants to take issue with the judgement of knowledgeable authors, but rather because he relatively rarely has an opportunity to look up the actual works themselves. For despite the fact that many of these authors' writings have appeared in various periodicals, so far very few of their books have been published in this country. This handbook will continue to be an indispensable reference for a very long time, but its real value will not be truly appreciated until the works and selected writings of the more significant authors listed in it will also become available in our country.

The handbook introduces not only the writers, but also the institutions of Western Hungarian literature. Here, too, it was impossible to present a complete picture, but everything that had been found, and it is safe to say, everything that could be deemed worthy of mention was taken into account. Rounding out the volume is a selected bibliography. Naturally, many of the articles included in it had been published in Western papers, hence they are not easily accessible. It is unfortunate that the bibliography of these works was incorporated in the biography of each author. Listing them separately would have called special attention to the great number of works these writers have published and to the tremendous debt our domestic book publishers owe them in giving them the recognition they deserve. I can only repeat what I said earlier: this handbook will significantly increase our readers' interest in the works of Western Hungarian literature. What more could we expect literary science to accomplish?

9379

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## REPRINTING OF PRE-WAR ENCYCLOPEDIA HALTED: SHREDDING RUMORED

Budapest OTLET in Hungarian 21 May 87 p 9

[Article by P.SZ.: "The Top Secret Encyclopedia"]

[Text] Little more than a year ago, beautifully designed, colorful posters appeared on the streets informing passers-by about the imminent republication of the Reval Encyclopedia. Also starting at the same time was the registration of subscriptions. Instead of the 30,000 subscribers anticipated, nearly 70,000 people signed up, exceeding all previous expectations. Even more would have done so had they not stopped accepting any more subscriptions due to, what they called was, a lack of capacity. Most encyclopedia buyers, nearly 30,000 of them, went to the Cultured People Book Distributing Enterprise to reserve their copy, despite the fact that there they were even required to leave a deposit. The State Book Distributing Enterprise took 13,000 subscriptions, KONYVERT [Book Marketing Enterprise] received 20,000 to 22,000 requests, and a few thousand series were reserved by the Kultura Foreign Trade Enterprise for dissemination abroad. These latter two firms did not require a deposit, only the personal data of the subscribers. The fact that they turned out to be the lucky ones was the result of a sudden decision. The publication of the encyclopedia series was abruptly halted, and Cultured People was ordered not only to return all deposits, but later also to reimburse the people for the interest their money would have earned.

The 21-book series, not including the supplementary volumes, was to be released over a 10-year period. The price had been set at between 400-600 forints per volume, but only the first of the series actually left the printers; as it turned out, even that would never reach the subscribers. According to some sources, the already finished volume, containing the headings "A-Arany [Gold]," were sent to the shredding mill, while others claimed that they had been placed in public libraries.

Even about this, however, we have no precise data or reliable information. In his answer to our question, the head of the

Editorial Main Directorate, who had just recently assumed the directorial post of the Publishing House for Belles Lettres, informed us that all data pertaining to the new-old series, including the number of copies printed and the price of each volume (!), was secret.

Already before the decision was made (i.e., the decision authorizing the publication!) encyclopedia experts had been arguing that if they had to publish an old encyclopedia then it should be not the Revai, but the more thorough, more nicely illustrated and more accurate Pallas Great Encyclopedia. Their arguments were also supported by the fact that much of the material contained in Revai had been adopted from Pallas after that bankrupt firm had been bought out by Revai.

Others have argued that the republication of such an encyclopedia might sway potential customers away from buying a truly "New Hungarian Encyclopedia," and that following the release of this new publication there would be no "room" for it in the public libraries and home bookshelves. It appears that this danger has finally been averted, as Revai will never get to the bookstores from the printers again.

Private used-book dealers, on the other hand, can breathe freely again. The encyclopedia business, which not so long ago was still fading, has once again begun to flourish. And since the publication of a useable and reliable great encyclopedia is still not on the horizon, the price of both Revai and Pallas has skyrocketed. It will not be long before the price of the former reaches the magic 30,000 forint mark. Instead of the eagerly anticipated new prints we have ended with unprecedentedly high new prices.

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## RELIGIOUS CHRISTMAS TV PROGRAM, STATISTICS ON BELIEVERS

## 'Mystery' of Program Praised

Budapest MAGYAR IFJUSAG in Hungarian 9 Jan 87 pp 6-7

[Text] No matter how much we prepare for Christmas internally we also need to have external stimuli in preparation for the holidays. At least, this is how I feel ever since my childhood when television played a role in my excited wait for the baby Jesus on the afternoon and evening of Christmas. Perhaps this is because at the time the television set was still not a common, everyday piece of furniture in apartments and also because the country had not yet opened its doors to the outside world as it has today; so, in the strict sense of the word, we absorbed the happenings on the globe through the television. On Christmas eve however, it brought us closer to the mystery of the holiday. And since at the time, almost three decades ago, both Hungarian television watching and the "ideological" approach to the Christmas holiday was in its infancy here anyone who could, would watch Austrian television in that western transdanubian city, a stone's throw from the then still tangible "iron curtain." The mood of its Christmas eve programming and its preparations for the holiday of love to this day still vividly resides in me. To this day I will not forget that every hour the world-famous Wiener Sangerknabe choir would appear on the screen and cherubic faced young boys with shining eyes would sing Christmas songs one more beautiful than the other. I did not understand the words but the transfigured celebratory children's faces and the images accompanying the songs deeply moved my childlike spirit: I awaited for the ringing in of Christmas with overflowing joy and heightened feeling of love. I recalled these old images on this Christmas eve as I watched, not Austrian television, but the programs on Hungarian television. Because this is the first time in many years that the MTV has broadcast programs which throughout almost the entire day radiated the spirit of Advent and a holiday atmosphere. The programming started at noon with holiday music in which the Wernigerode Radio Youth Choir presented Christmas songs and continued with a Christmas gift from the District of Szeged Studio. It does not matter that we have previously seen this compilation; we would not be bored by it next year either. Marta E. Szabo could not have picked a more pleasing or evocative location for program titled Szancsengo [Sleigh Bell] than the studio of artist Erzsebet Udvari in Budaörs which so intimately and with such deep empathy rendered the mystery of Christmas. The narrator guided the audience through the history of



the Christmas holiday cycle and Christmas eve with intelligent and knowledgeable text. The television deserves only praise for broadcasting the Nativity play of the Szeklers from Erd. This small ethnic group had been scattered from their home by the blast of cannons and has had to seek shelter in the course of their history from country to country from house to house just as the Holy Family sought shelter on the night of Christmas eve. Their Nativity play is one of the oldest, most spectacular, and in the most archaic language in the body of Hungarian folk traditions. The peacock circle and the play of the amateur theatrical group of Erd led by Rozalia Koka shows that the cohesion of the community and its attachment to tradition is stronger than destructive fire. It is always possible to draw strength from the past for the trials and tribulations that are always present and for intelligent survival. The television version of Andre Obey's Midnight Play (directed by Sandor Mihalyfy) rewarded the viewers with excellent acting. It raised such eternal truths and deep human ideas on which we must stop to reflect, at least on Christmas eve, and to tear ourselves away from our constant rushing around--even if at other times, in the noise of the treadmill of life, there is hardly any time to stop and pay attention to ourselves and others.

Thanks to the television broadcasters for the Christmas eve.

#### 'Neutrality' on Religion Questioned

Budapest UJ EMBER in Hungarian 14 Dec 86 p 2

[Text] What has withered from souls? From the "workshop of sociological researches" Gyorgy Csapeli wrote an article in MAGYAR NEMZET titled "Nemzet, Vallas, Osztaly" [Nation, Religion, Class]. Of his conclusions, based on systematic research going on for almost two decades, we could take notice of, among other things, what he also writes about, for example, the "fading of the Middle Ages" from the spirit--thereby perhaps inadvertently also falling into the long refuted unscholarly belief of the "dark ages" and thus almost throwing the baby out with the bath water. That is, no one disputes that the social structure of the Middle Ages, as a developmental stage, has long ago become antiquated, but to call the church and along with it religion medieval creates the impression that Christianity--which is the subject under discussion--is essentially not evangelical in origin but is instead no more than the trappings of medieval development. Secularization--as philanthropic storm--only disassembled the structure associated with the age and was unable to destroy religion itself and "make it fade from" the spirit. Moreover, as Csapeli himself also notes, it favored making religiousness "personal."

Although "new ideologies" could come about in response to the "What is the purpose of my existence on this world?" question, their strength is only sufficient to effect structural change and are unable to influence the substance. Today we are at the point where the fruit is starting to ripen: a whole series of new "valid answers" offered to a society which has become modern have proven their inadequacy, and the failure which has occurred between the individual and society is in large part attributable to this. That is, it is easier to destroy than to provide "more valid answers" in place of the Gospel to the "from where to where?" question.

In light of this it is also worth noting the research data; today 10% of the people consider themselves religious in accordance with the teachings of the Church, and a further third say that they are near to some kind of religious belief. However, this seemingly devastating data looks entirely different when we learn that conversely only 10% of the people "vigorously oppose religion." The rest are in the haze of "charitable indifference." Not a bad thing. Especially, if we add that the research here is not conducted in a hostile, but in a neutral and objective atmosphere; so it is also possible that many people, remembering the injuries received in the past decided to profess an appearance of "charitable indifference" because--of the triumph of secularization--they believe that religion is their most personal private matter which is not the business of the questioner.

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## BLOC, OTHER CP EDITORS CONFER IN ZAKOPANE

Warsaw TRYBUNA LUDU in Polish 30-31 May 87 p 2

[Text] (PAP) The fifth conference of editors of communist party and workers periodicals concerned with party internal affairs, arranged by the editors of ZYCIE PARTII [Party Life], was held in Zakopane. The deliberations focused on one basic topic: strengthening the primary party organizations as a condition for effectively implementing the resolutions of the Party congresses.

Representatives of the following periodicals participated in the conference: Bulgarian Communist Party, PARTIJEN ZIWOT; Czechoslovak Communist Party, ZIWOT STRANY; Ethiopian Workers Party, SERTO ADER; Cuban Communist Party, EL MILITANTE KOMUNISTA; Mongolian Peoples Revolutionary Party, NAMYA ANDRAL; German Socialist Unity Party, NEUER WEG; Romanian Communist Party, MUNCA DE PARTID; Hungarian Socialist Workers Party, PARTELET; Vietnam Communist Party, XAY DUNG DPANG; Soviet Union Communist Party, PARTIYNAJA ZIZN; Polish United Workers Party, ZYCIE PARTII; and the editors of PROBLEMS OF PEACE AND SOCIALISM.

The main theme of the deliberations was an exchange of experience which the editors had accumulated during their editing of periodicals and the conclusions which derive from the specific nature and complexity of conditions in particular countries. Much attention was devoted in the discussion to ways by which the periodicals can develop a strategy for more rapidly meeting today's challenges, and particularly for broad presentation of new, effective methods of party activity.

At the conclusion of the conference, its participants met on 29 May in Warsaw with Politburo member and CC secretary, Jozef Baryla, who underscored the importance of the cooperation of the fraternal parties in strengthening ideological ties between the parties which are guided by the teachings of Marxism-Leninism and which disseminate the most effective methods and the new style of operation. The CC secretary informed the conferees about the proceedings and decisions of the Fourth CC Plenum and the party measures being taken to strengthen the role of its primary organizations.

Jan Bluszkowski, assistant director of the PZPR CC Political Department, took part in the conference and the meeting.

## PZPR VOIVODSHIP PLENUM REPORTS NOTED

## Focus on Enterprises, Brigades

Warsaw TRYBUNA LUDU in Polish 8 Jun 87 p 2

[Article by Jerzy Krol: "Criticism Despite Success"; passages in slantlines printed in boldface]

[Excerpts] /One hundred non-party member workers from the largest enterprises of the region and their directors, secretaries of enterprise party organizations, trade union, self-government and youth organizations executives were invited to the plenary meeting of the PZPR Voivodship Committee, which was held on 6 June in Stalowa Wola./ Evaluation of the results of qualitative changes in the economy of the voivodship following the 3rd PZPR CC Plenum and the Voivodship Committee plenum in January 1987 was the topic of the meeting.

Jan Cwintal, deputy head of the Department of Socio-Economic Policy of PZPR CC, took part in the proceedings chaired by Janusz Basiak. The fact that thus far brigade forms of labor organization have not been introduced in the enterprises of the voivodship, except for the Tarnobrzeg Enterprise for Industrial Construction and "Mostostal" in Stalowa Wola, gives rise to concern. To be sure, a brigade system also exists in the "Stalowa Wola" Iron Works; however, it is based on old principles. Meanwhile, the workers are very much interested in this form of labor organization. This results in nothing, because the management cadres do nothing in the matter and explain their foot dragging by various difficulties, e.g. untimely deliveries of raw and other materials. As was said at the plenum, such explanations do not solve anything. It was decided to make the evaluation of management cadres heavily dependent on how the brigade system progresses.

It was stated that the review of organizational structures and job certification were moving ahead too slowly. Measures intended to improve the quality of products received a similar evaluation.

In their turn, enterprise and shop party organizations are increasingly using their prerogatives in endorsing individuals for management positions. As was observed at the plenum, it is a pity that they do not do this when a recommendation should be withdrawn. Recently, directors have been changed in the ZPOW [expansion unknown] Dwikozy, the District Heating Enterprise and the

Tarnobrzeg branch of the KPKS [National Highway Transportation Enterprise] on the suggestion of the provincial party organization.

/Critical overtones dominated both in the report and in the discussion, despite production results being much better than expected./ Yet another example was the emphasis on the inadequate use of the latest achievements of science and technology in the design and technology of products, restructuring the enterprises and managing operations. The "Stalowa Wola" Iron Works is the only exception.

/The still numerous shortcomings should be overcome as soon as possible, because they may become barriers hampering or even torpedoing the implementation of the second stage of the economic reform--this is how the message of the resolution adopted by the plenum of PZPR Voivodship Committee may be summed up.

#### Cadre Lacks Activist Experience

Warsaw TRYBUNA LUDU in Polish 5 Jun 87 p 3

[Article by Jan A. Kraszewski: "All Issues are Important, Big or Small"; passages in slantlines printed in boldface]

[Text] /Township, city and gmina echelons should focus their attention on the issues of methods of operation in the POP [basic party organizations], because over one-half of the elected functionaries of the POP have no experience in party work, states the report of the executive board read by the PZPR Committee Secretary in Lodz at the plenary meeting of this echelon devoted to the place and role of the POP in socio-political life, which was held on 4 June./

A numerous group of functionaries from autonomous and enterprise party organizations also attended the meeting chaired by First Secretary of the Lodz PZPR Committee Jozef Niewiadomski.

In view of the topic, they were also the ones given the floor most often during the discussion which revolved around four issues: supporting the second stage of economic reform, increasing political influence in the working class community, stepping up work with young people and reinforcing the position and authority of the POP.

Lucjan Mierzejewski, first secretary of the POP in "EMA-Elastar," asked: when can party organizations influence the community? They can when they tackle every problem, every human issue. After all, for the party there are no small or big issues, all are equally important.



## POP Efficiency Studied

Warsaw TRYBUNA LUDU in Polish 5 Jun 87 p 3

[Article by Witold Sawicki: "Basic Organizations Determine the Image of the Party", passages in slantlines printed in boldface]

[Text] /Issues related to creating conditions and ways for effective operation of the POP were discussed on 4 June at a plenum of the Ostroleka Voivodship PZPR Committee, which was chaired by First Secretary of the Voivodship Committee Jerzy Glowacki./

It was stressed both in the report of the Executive Board presented by Secretary of the Voivodship Committee Michal Langiewicz and in the discussion that the image and power of the party, successful implementation of the resolutions of the 10th PZPR Congress, and the results of the expected long-range development of the region and our country hinge on vigorous and effective actions of the POP rooted in the realities of life. The distribution of the party's forces in 1,112 POP operating in enterprises and communities presents an important opportunity for reaching out to the urban and rural population.

The status of the POP, their impact, dynamics of everyday activity, influence on the community range from barely noticeable to those who successfully perform their party duties.

/The plenum passed a resolution specifying tasks in creating conditions and mechanisms for increasing the role and efficiency of the operation of the POP in Ostroleka voivodship./

A group of POP secretaries from all over the voivodship took part in the proceedings.

## Service Industries Strongly Criticized

Warsaw TRYBUNA LUDU in Polish 5 Jun 87 p 3

[Article by Andrzej Kalinowski and Henryk Prawda: "Improvement in services for the Populace Is Necessary"; passages in slantlines printed in boldface]

[Text] /Do there have to be lines at the post office? Why does it take weeks to repair a faucet? Is it possible to get civilized service at a shop? Does there have to be a crowd in the clinic? An attempt to answer these and other questions on the everyday concerns and difficulties of every inhabitant of Szczecin voivodship was made at the meeting of the PZPR Voivodship Committee on 4 June, devoted to evaluating the services to the populace./

It was stated at the plenum that it is difficult to expect fast repairs when basic materials are lacking or streamline retail trade when containers, refrigerated storage and equipment are lacking.

However, it was indicated that there is an array of opportunities to improve the organization of services which can be taken advantage of right away. A list of such measures was included in a PZPR Voivodship Committee document which was distributed before the plenum to the members of the echelon and local and economic administration. Their implementation calls for increased responsibility of the management cadre and its coming into its own in the capacity of a master.

/The most urgent steps to be taken on all matters related to the operation of the service sphere have been outlined, which is reflected in the resolution adopted./ The role of party organizations and party members in promoting the initiative of workforces of service establishments was stressed. Party work in this group must be reinforced. The proceedings of the plenum were chaired by First Secretary of the PZPR Voivodship Committee Stanislaw Miskiewicz.

#### Economic Efficiency Demanded

Warsaw TRYBUNA LUDU in Polish 1 Jun 87 p 2

[Article by Zbigniew Wrobel: "Gdansk: Counting on Efficiency"; passages in slantlines printed in boldface]

[Text] /A decisive improvement in the quality of work, results of production and reinforcement of export orientation of industry in the maritime region so as to considerably restrict the scope of state subsidies for maritime enterprises and increase the contribution of maritime economy to improving the payments balance of the state are the basic objectives for the party organizations, self-government bodies and management of enterprises along the Gdansk coast./

At the second stage of economic reform, criteria of profitability will be made more rigorous, and maritime enterprises will face more difficult tasks, stressed participants in the discussion at the PZPR Voivodship Committee Plenum in Gdansk, which on 30 May 1987 discussed the responsibilities of the maritime economy in implementing the resolutions of the 3rd PZPR CC Plenum.

In a situation when budgetary subsidies for many products of maritime enterprises will be reduced soon, and for a good reason, we are not complaining but rather proposing what we ourselves would like to do in order to work better and discuss where we should look for possible help in the most difficult cases, stated a participant in the provincial committee plenum, a crane operator in the commercial port of Gdynia Wladyslaw Gontarski in an interview to a TRYBUNA LUDU correspondent. For example, sea fishing can hardly manage without subsidies, but those should rather come in the form of systemic preferences, same as in other sectors of the food complex, so as to provide for the reproduction and modernization of the technically obsolete fishing fleet. In return, we should first of all see to it that worktime is fully utilized and labor discipline is improved.

The positive influence of the guidelines for the maritime policy of the state adopted by the 10th PZPR CC plenum and prepared by the government was stressed during the proceedings, which were chaired by alternate member of the PZPR CC

Politburo, First Secretary of the Gdansk PZPR Voivodship Committee Stanislaw Bejger. Deputy Prime Minister Wladyslaw Gwiazda also took part in the proceedings.

### Socialist Cultural Consciousness Explored

Warsaw TRYBUNA LUDU in Polish 1 Jun 87 p 2

[Article by Zbigniew Menes: "Kalisz: Culture Should Be Supported"; passages in slantlines printed in boldface]

[Text] /A plenary meeting of the PZPR Kalisz Voivodship Committee was convened on 30 May in the Township Cultural Center in Liskow. It was devoted to the role and tasks of culture in shaping the socialist consciousness of the populace./

/The venue was not selected by accident. It testifies to the recognition of measures in the broadly defined cultural sphere undertaken by the political and administrative authorities and by the entire community./

The measures currently being undertaken as well as the continuation of the already proven initiatives will not immediately take care of all the shortcomings in the cultural life of Kalisz voivodship. For example, there is no way to eliminate overnight the difference between urban and rural communities in access to cultural assets. To this end, the promoters of cultural life in rural areas should be reinforced with professional cadres. At the same time, rural cultural and educational facilities need to be adequately equipped.

The access of the populace to books, especially in rural areas, cannot be further postponed.

/The issues of financing and funding for culture were a recurring topic in the discussion./ They have been exceptionnally modest as of late; this is a result of the present economic situation in the country. Under the circumstances, the functionaries of culture in Kalisz voivodship count on the support of enterprises, which in recent years have broken with the custom of donating to this sphere of social life. As a result, some of the enterprise libraries and cultural centers ceased operations. Little by little, these links are being restored.

### Youth Enthusiasm Needed

Warsaw TRYBUNA LUDU in Polish 1 Jun 87 p 2

[Article by Zbigniew Kopec: "Lublin: Using the Drive of Youth"; passages in slantlines printed in boldface]

[Text] /The plenum of the PZPR Voivodship Committee in Lublin on 30 May was devoted to the tasks of party echelons, organizations and members in reinforcing the socialist indoctrination of the young people./

It was stated that in Lublin voivodship the young people are getting increasingly involved in the course of socio-political and economic activities. Young people under 30 years of age account for about one-half of 5,000 persons who have become party candidates over 5 recent years.

It was stressed that the work of the POP is an important factor in adequately shaping the attitudes of the young people. The recent 4th Plenum of the PZPR CC has given a new impetus to this work. The concern of the POP with young people and cooperation with youth organizations in many communities of Lublin voivodship have brought good results.

"Do nothing that concerns young people without the young people"--this is the principle we practice, said lathe operator from the Pulawy Nitrogenous [Fertilizer] Enterprise Stefan Karas. We use their natural drive and initiative in measures aimed at modernizing the plant, improving environmental protection and conditions on the job.

Young people are passive when they feel powerless, said ZSMP [Union of Socialist Polish Youth] functionary, worker from the FSC [Truck Factory] in Lublin Janusz Cimek. Creating the environment for action and the conviction that one can advance through honest work will certainly bring about increased involvement.

Chairman of the ZSMP ZG [Main Administration] Jerzy Szmajdziński took part in the proceedings.

#### Urban POP Members Criticized

Warsaw TRYBUNA LUDU in Polish 1 Jun 87 p 2

[Article by Feliks Walichnowski: "Olsztyn: Start with a Look at Yourself"; passages in slantlines printed in boldface]

[Text] /The plenum of PZPR Voivodship Committee in Olsztyn emphasized the role of the POP in rural areas and the tasks of party members at the place of residence./

On the state farms, the ranks of the party have grown by up to 20 percent; this is one of the best statistics in the socialized sector of the voivodship. However, in about 35 percent of township seats there are no POP; among the ones that exist, 41 percent number under 11 persons. However, despite this rural party organizations sponsor various volunteer projects (construction of water mains, day care centers, nurseries, club rooms, roads and fire stations).

/The operation of local party organizations in urban residential neighborhoods drew pointed criticism./ As was stated, an erroneous view has taken hold that a party member belonging to a POP at an enterprise is exempt from the duty to participate vigorously in socio-political activities at his place of residence.



/It was also pointed out that the POP in enterprises are increasingly operating in an innovative fashion. They put forward specific initiatives, plans and proposals in response to the concerns and attitudes of the workforces and social and economic needs. Members of the party understand increasingly better the role of the party in the new system of enterprise management./

Member of the PZPR CC Politburo, CC Secretary Jozef Baryla took part in the proceedings.

/Responding to statements in the discussion, Jozef Baryla stressed that under current conditions the party should operate in a new way./ Effective reforms and development of the socialist economy and continuous propagation of the idea of national understanding are the main objectives as set in the resolutions of the 4th PZPR CC Plenum. The CC secretary stated that these objectives should be achieved in several spheres. Among them are reinforcing the leading and guiding role of the party in its service to the people, improving the efficiency and quality of party work, shaping ideological and involved attitudes, and then not only among party members, and upgrading the role of party organizations in implementing the guidelines for the economic reform. The sooner, more completely and efficiently these objectives are achieved, the higher will be the authority of and confidence in the party among the populace.

#### Joint ZSL, PZPR Plenum in Opole

Warsaw TRYBUNA LUDU in Polish 15 Jun 87 p 3

[Article by Aleksy Kalenik: "Joint Plenum of the PZPR and ZSL Voivodship Committees in Opole"; passages in slantlines printed in boldface]

[Text] /Measures already implemented and barriers in the way of implementing the program of nourishment for the people that still exist were the issues to be reviewed and evaluated on 13 June by a joint plenary meeting of the PZPR and ZSL [United Peasant Party] Voivodship Committees in Opole. A joint resolution of the 11th Plenum of the PZPR CC and ZSL Chief Committee was the point of reference./

Over the last 4 years, there has been considerable progress in agriculture of Opole voivodship, in which less expensive and better organized production were the main factors.

However, the environment for work and life in rural areas is still difficult. There is a gap between the needs and expectations of the populace and the level and condition of rural socio-economic infrastructure. They still provide too little incentive for young people.

/New management mechanisms quickly took hold in agriculture./ In the second stage of the [economic] reform, it requires stable regulations, the discontinuation of their retroactive application and persistent introduction of the principle of "equality" of all sectors--said a private farmer for many years Konstanty Chmielewski.



Polish agriculture can guarantee nourishment for the people; however, it requires appropriate and timely deliveries of fertilizers, insecticides, machinery and equipment to implement new technologies in animal husbandry. The results expected will not come about if we are going to receive the requisite assets after the agrotechnically indicated time has passed, stated the speakers.

Marian Szveda, director of the Gardening Enterprise in Grudynia Wielka, pointed to the cases of bad management such as, for example, bringing trucks from Lodz in order to ship cargo over...several dozen kilometers to Czechoslovakia and failure to make deliveries as specified in the contract because of the lack of containers. The speaker also called for allowing agricultural enterprises to return poor quality equipment to the producers.

In summation, Deputy Chairman of the ZSL Chief Committee Deputy Prime Minister Jozef Koziol outlined the main aspects of agricultural policy instituted by the resolution of the 11th Plenum 4 years ago, stressing that upon entering the second stage of the reform we should use more stringent rules of the economic game. The objective is to foster individual and collective initiatives with a view to overcoming inflation.

Alternate member of the Politburo, PZPR CC Secretary Zbigniew Michalek took part in the proceedings.

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## PUBLIC RESPONSE TO PROPOSED LABOR CODE REVISIONS SUMMARIZED

Warsaw RZECZPOSPOLITA in Polish 2 Jul 87 pp 1,2

[Article by K. Ch.: "Social Discussion at Midpoint"; passages in slantlines printed in boldface]

[Text] /On 30 June, the announced deadline came for social discussion on the draft amendments in the labor code, published in their entirety in RZECZPOSPOLITA on 29 May 1987. At the same time, a draft of the amended labor code fully complying with the content of the draft submitted for public review was forwarded for inter-ministry coordination and to the the PAN (Polish Academy of Sciences), the ZPP [Association of Polish Lawyers], the Legislative Council and similar institutions. Therefore, the question arises: What are the results of the consultation? How is the work going to proceed?/

First of all, /the discussion is extended through the end of July/, as Zbigniew Januszek, deputy minister of labor, wages and social affairs, stated at a meeting with journalists on 1 July. After all, June was not particularly favorable for exchanging views on the future labor law due to a multiplicity of various events.

Upon the completion of extended social discussion, the draft amended labor code will be forwarded to the government and the OPZZ [National Accord of Trade Unions]. The opinion of trade unionists and, subsequently, deputies [of the Sejm] will ultimately determine the content of the new labor law.

What can we say about the law at this time, at the midpoint of work? A preliminary, quite tentative evaluation follows from the letters of citizens, trade unionists (enterprise organizations and federations) and enterprises. It may be reduced to the following statement: nobody questions the need for changes or their basic thrust. Differences involve only specific arrangements.

/Thus, the following is approved:/

- adjustment of regulations to the new position of trade unions (only the trade unionists themselves call for keeping two-stage consultations in some individual employee cases, while federations desire to expand their rights transcending the trade union law);

- all proposals involving nominations of employees (eventual remarks will only be additions in nature);
- elimination of annual contracts for the preliminary period;
- easier conditions for undertaking a second job (individual opinions are in favor of entirely abolishing legal regulation of this sphere);
- opportunity to sign contracts for various kinds of work and assign additional duties within the framework of a current labor contract, which, after all, is practiced at present as well;
- increase in the amount of damages which the enterprise may elect not to collect, imposing disciplinary penalty instead;
- preferences for the best employees (there are opinions that those should also be given to employees with long tenure);
- provisions for transferring employees to other enterprises in the form of leave without pay;
- [opportunity for] the employee to opt for damages rather than reinstatement at work in the event of a lawsuit resulting from irregular dismissal from the job;
- a 14-day deadline for considering the offer to terminate labor contract by mutual agreement of the parties;
- more rigorous regulations on terminating the contract by fault of the employee.

/The proposals giving rise to doubts and reservations: /

- extension of the deadline for imposing disciplinary penalty from 2 weeks to a month (this is called making it easy on the enterprises; there also are proposals that there be no deadline at all);
- giving the courts the right to decide whether the employee should be reinstated or only paid damages, which, according to the draft, the court will be entitled to do proceeding from social or economic considerations;
- making dismissal dependent only on tenure in a given enterprise (it is stated that switching jobs does not always happen through the fault of the employee);
- introduction of a new disciplinary penalty for consuming alcohol on the job and the proposal to increase reimbursement for damage caused by obvious negligence of the employee (it is stated that these arrangements are ineffective and also socially controversial, because the family of the employee will have to suffer the consequences);

- shortening of the term of notice on dismissal from enterprises where the workforce needs to be pared down (people write that such a need does not develop overnight; therefore, a decision on dismissal can be made within the regular term);

- exclusion of the period of employment which ends in a disciplinary termination from the tenure on which the duration of leave is based.

/The greatest resistance and controversy are caused by: /

- damages which an employee abandoning work has to pay to the enterprise;

- special powers given to enterprises in the process of restructuring (shorter notice of dismissal, dismissal of protected employees, transfer to other enterprises);

- limitation on the freedom to terminate contracts by agreement of the parties. It is noted that it is incorrect to give unilateral powers only to the enterprise, and not to the employee.

/In the opinion of minister Zbigniew Januszek, the draft is not repressive and does not restrict the rights of employees, despite some opinions and views. Compared to the previous one, the current draft is very much a compromise. Its consequences and effectiveness will largely depend on how the law adopted is used on a regular basis. The draft calls for flexible arrangements. Even the ones called repressive merely provide for the possibility of and do not force sanctions. Therefore, all comparisons of the labor code with the penal code are a complete misunderstanding and result from a failure to understand the draft in general and the essence and functions of the labor law in particular. /

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## DEFENSE COMMITTEE ON LAW, ORDER ISSUES

Krakow GAZETA KRAKOWSKA in Polish 30 Jun 87 p 2

[Unattributed report: "In Krakow: Meeting of the Voivodship Defense Committee"]

[Text] Yesterday the Voivodship Defense committee met in Krakow with Wladyslaw Kaczmarek, secretary of the PZPR Krakow Committee, presiding. The leadership of the Krakow Voivodship Prosecutor's Office and the Voivodship Court participated in the meeting.

Col Wieslaw Dzialowski, deputy head of the Voivodship Office of Internal Affairs, presented the main topic of the meeting, the evaluation of the state of security and internal order in the voivodship during the first six months of this year.

Harmony, order, and internal security have undergone further systematic improvement. The number of preparatory investigations begun declined by 2.3 percent, and confirmed crimes declined by 10.7 percent. The overall index of detection rose to 83.3 percent and is 4 percent higher than for the same period in 1986.

Losses caused by crime are lower by 17.7 percent, and losses caused by economic crimes increased 62 percent. In both categories of crimes the sums regained and goods secured increased. Alcoholism is still a dangerous crime-causing factor; more than half of the criminals caught committed their crimes while intoxicated.

The quantity of road accidents declined by 9.6 percent, in spite of an increase in private vehicles. The frequent occurrence of social indifference and an improper attitude to public property is worrying.

The continuation of systematic activities to improve social discipline, and observance of the law, and combating pathology, especially alcoholism, constitutes a basic obligation of all supervisors of organizational units. The continued improvement of order and security demonstrates the support and cooperation of society in the interest of each citizen and factory. This is both a result of the proper attitude by residents, of diligent work by the Citizens' Militia, the prosecutors and the courts, and the state inspection offices, and of the efforts of the press, radio, and television.

The Voivodship Defense Committee undertook appropriate measures to further improvement of social discipline, harmony, order and security in the voivodship.



## REPORT ON CURRENT RADIOACTIVITY LEVELS

Warsaw TRYBUNA LUDU in Polish 6 Jul 87 p 7

[Article from PAP: "Radioactivity Situation in Our Country Not a Cause for Concern"; passages in slantlines printed in boldface]

[Text] /In conjunction with numerous questions concerning the radioactivity situation in Poland subsequent to the accident at the Chernobyl nuclear power plant, the CLOR [Central Radiation Protection Laboratory] reports that systematic surveys of the level of radioactive contamination of the environment and foodstuffs are still carried out./

As Prof Stanislaw Rabiej, CLOR deputy director for contamination protection, told a PAP [Polish Press Agency] editor, /contamination of the air and of total precipitation are at present at a level registered before the accident. The same is the case with contamination of surface waters and water mains./

/Soil contamination remains somewhat higher./ This is caused by the accumulation of radioactive isotopes on the soil surface immediately after the accident. At present, this is primarily contamination by radioactive cesium isotopes: cesium 134 and cesium 137. /Minor contamination of the soil does not pose a radioactivity threat for people./

/Contamination of foodstuffs is greater than before the accident; however, it is subsiding perceptibly./

It should be mentioned that the maximum limits of food contamination by radioactive cesium isotopes accepted by the EEC for international trade amount to 370 becquerels per kilogram for milk and dairy products and 600 bq/kg for the remainder of foodstuffs.

/At present, milk contamination by cesium isotopes amounts to about 20 bq/liter on the average; it has declined by about three times from the levels registered in winter and spring./

The average contamination of beef and veal is at the level of 50 bq/kg, of pork--at about one-half of this level, and of lamb and horse meat--about 70 to 100 bq/kg. Contamination of poultry is low (several to a dozen bq/kg). The average contamination of fowl is of the same order as that of horse meat.

Contamination of this year's vegetables and fruit is considerably lower.

/With regard to the issue of contamination of the organism by cesium taken in with food, it should be recalled that cesium isotopes with long physical half-life do not accumulate permanently in the human organism, stressed Prof. S. Rabiej./ The period of the effective half-life of their elimination from the organism amounts to about 100 days for adults and much less than that for children. /Therefore, it can be stated that the level of food contamination in Poland poses no danger for human health./

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## STUDENTS POLLED ON INTEREST, MEMBERSHIP IN YOUTH GROUPS

Warsaw NOWE DROGI in Polish No 1, Jan 87 pp 142-155

[Article by Leszek Rowicki: "Students' Civic Activeness"]

[Text] Below we present the results of a survey of student opinion on selected institutions and student organizations. The survey was initiated by the Main Council of the Polish University Student Association.

The survey was conducted using a questionnaire in 116 student (decanal) groups at 26 Polish institutions of higher learning. The planned sample size was selected proportionally among 12 layers selected for type of academic center (3 types) and year of studies (I-IV). The type of center was determined by the size of the student body. In all 1,164 students were surveyed, and the sample chosen exactly represents the population.

There were representatives of the basic types of higher institutions in the sample (universities; polytechnics; medical, agricultural, and economic academies).

More than half of the respondents lives in a dormitory or is renting a room (52.5 percent). And the larger the academic center the fewer the number of students not living at home and the higher the level of the parents education.

In large centers nearly 70 percent of the fathers have at least a secondary education, while in small centers the percentage is 55. For the whole sample 67.5 percent of the fathers have a secondary or higher education, and 29 percent less than a secondary education.

In the period preceding their studies, the majority of the respondents had encountered the Polish Scout Union (66.6 percent), and one-third of the respondents had held offices in it. This data varies little from center to center. If we also note that 21.9 percent of the students belong to the Socialist Union of Polish University Students and 16.1 percent to the Independent Association of University Students, then the majority has had some experience with organizations (Table 1).

After entering an institution of higher learning, only 22.5 percent of the members and 24 percent of the activists of the Polish Scout Union joined the Socialist Union of Polish University Students, but 14.7 percent and 14.5 percent of the members and activists of the Polish Scout Union joined the Independent Union of Polish University Students.

In the past few students belonged to the other youth organizations, and still fewer to the PZPR or the political parties. Among the respondents only 2.5 percent belonged to the PZPR, and of this group the majority were older students, which can lead to a decline of the number of party members among the academic youth in the future.

So far, the youth organizations existing in the academic community have drawn little interest from the students. Only the Polish University Student Association, which has gained 7.6 percent of the students, has made its presence felt. Relatively more individuals belong to the Association in middle-sized centers (10.1 percent) and in small ones (8.3 percent); in large ones only 3.2 percent of the students are members.

The remaining organizations, the Rural Youth Union and the Union of Socialist Polish Youth, exist as traces including respectively 1.2 and 1.0 percent of the respondents. Similar small numbers of students have noted the opportunity to participate in the PZPR, the ZSL, and the SD. In all only 1.8 percent of the individuals belong to the party and political parties (Table 2).

Youth organizations and political parties do not exhaust the opportunities for action. Some of the students (25.5 percent) declared they participate in other organized forms of social activities. The Student Sport Union and other student sport clubs, which include 10.9 percent of the respondents, occupy a special place. Relatively many students (4.6 percent) identify with the student scholarly circles. In general one can state that the larger an academic center the greater the popularity of sport clubs and other nonstudent forms of activity (Table 3). In the smaller centers the greater the range of the scholarly circles (13.2 percent) and other forms of student activity.

The range and popularity of the existing youth organizations in the future was one of the major questions. It read: "Do you plan to join one of the organizations presently operating in the near future?" (Table 4)

The majority of the crucial issues and decisions for the student community does not go beyond the department. This is a result, among other things, of the law on higher education. In many issues that law permits student participation in decision making. Who, as an organization, should, in the respondents opinion, represent the broadly conceived student interests in the department?

The students have a decisive and unequivocal answer. The departmental self-government is the institution that should represent the students at the department level. It received a minimum of 56.3 percent of the responses, and for some issues it received more than 74 percent.

The remaining organizations (other than the institution self-government), in the respondent's opinion, should not interfere in the department's life. None of the youth structures meets the requirement of 20 percent of the votes.

Nevertheless, it is worth noting the great difference in the treatment of youth organizations, among which the Polish University Student Association has many more supporters than the Union of Socialist Polish Youth and the Rural Youth Union. In some issues the institution self-government also crosses the 20 percent mark, but due to the autonomy of the department self-governments and of the departments themselves, such a solution seems a misunderstanding; we will not take it into consideration.

The model solution proposed at the institution level by the respondents is the "diode" system, self-government and Polish University Student Association, where the self-government is the institutional one.

According to the respondents the institution self-government is most competent to participate in the distribution of budget resources controlled by the rector for student use; this opinion was held by 66.1 to 69.0 percent of the respondents. The situation is similar for the remaining issues at the institution level. Only in the case of organization and program supervision of central institution clubs and tourism clubs was it judged proper to give the Polish University Student Association equal rights to participate (respectively 19.3 and 25.8 percent).

As for other questions in the survey, the Polish University Student Association is noted most through cultural and tourist activities.

The students are not inclined to give the Rural Youth Union and Union of Socialist Polish Youth any voice in institutional level issues. This is shown by these organizations failure to receive more than a few percent of the replies, which according to the standard adopted excludes them from the analysis of the model.

At the level of the local community tourist activity and student work cooperatives were considered.

Responses on the organizational subordination of these areas indicate none of them should dominate in the respondents' opinion.

Again, which in this case is still a surprise, the students have the most trust for the institution self-government, to whom they are prepared to assign all of the community level activities. The Polish University Student Association received a relatively large number of responses, and it, according to the respondents, should codecide with the institution self-government at the level of local activities.

At the national level the students proposed a model of action that varies significantly from the previous propositions.

The students propose a triad model at the national level of student organizations: self-government, the Polish University Student Association, and an independent organization. For the first and last time, the Polish University Student Association received the most responses (relatively, 26.3 percent) among the organizations mentioned. This area is representing students in the international student movement.

Other than in evaluating legal acts that affect the higher schools and academic life in the name of students, where students see their representative-monopolist to be the institution self-government (57.4 percent), none of the structures mentioned achieved a dominate position.

In this part we present the organizations (and their range of activity), which in the respondents' opinion, are essential to the student movement. Using the results of the previous sections, we will describe the range of actions belonging to the competence of the department and institution self-governments, the Polish University Student Association, and others proposed by the respondents.



The majority of the issues remaining in the competence of the department self-government concern problems of student life within the department. The self-government is to participate with the department authorities in deciding on social issues of students and didactic and disciplinary issues. It also represents the students at the faculty meetings. In all cases, the self-government should, according to the respondents, act independently; it is not essential for the self-government to cooperate with any other organization representing students.

The respondents anticipated a more humble participation by the department self-government in such issues, as: sitting in the senate, supervising scholarly circles, and distributing the rector's funds for student uses. In these issues the institution self-government dominates.

The institution self-government, from the point of view of responses, is regarded as a monopoly in all matters at the institutional level. Moreover, the students attach so much hope to its existence, that they are inclined to make it a socio-political organization. They do this by assigning it competence over all local and national activities. There are also those who see no obstacles for the institution self-government to represent Polish students in the international student movement.

At the local level the students propose participation by the Polish University Student Association with the self-government in traditional areas of student life (culture, tourism, cooperatives). They propose a similar solution at the national level.

The list of issues assigned to the Polish University Student Association includes the local academic level and problems above the local level including representing Polish students in the international student movement.

At the local level the Association shares all its competencies with the institution self-government, at the national level with other organizations (Table 5).

Among the current opportunities for organized forms of action, the students (18.9 percent) more willingly participate in the scholarly movement, sport, cultural and tourist clubs, than in the youth organizations.

How do students propose to conduct activities in these areas? None of the proposals presented received a decided majority (i.e. 50 percent) (Table 6).

Here students, however, express their inclination toward organizational decentralization in all basic areas of academic life. According to 41 to 46 percent of the respondents, the scholarly circles and all types of clubs should form independent federations. Subordinating them to student organizations is accepted by no more than one-third of the students. The number of respondents thinking that this solution should be applied to cultural clubs (36.7 percent) and tourism (33.5 percent) does not exceed one-third by much. This is natural if we remember that cultural and tourist activities of the Polish University Student Association received a significantly more positive evaluation. For scholarly circles subordination is allowed by a smaller group (16.6 percent). Besides suggesting the scholarly movement form a federation (41 percent), almost 25 percent of the students think that it should be subject to the institution authorities.

The results permit believing that the majority of the students divide into supporters of federation and supporters of subordinating all clubs to student organizations. Only for scholarly circles does the federation model predominate, while for the remaining forms of organized activity the differences are not so great as other data that suggest subordination to the self-governments.

The survey was conducted on a representative sample of Polish students. The results thus permit us to formulate conclusions of a powerful general nature.

The survey allows us to examine the operation in higher schools of youth organizations from two perspectives: --from the point of view of the actual, declared membership of students in particular organizations, including a range of other conditions (among them, the range of activities, barriers to membership, and proposals directed to the organization); --from the point of view of the students' proposed model for the student movement, constructed by respondents' indicating the division of competencies between the particular organizations and self-managements.

The analysis of the membership in youth organizations shows that relatively large percentage of students has experience in this area (for example, 66 percent belonged to the Polish Scout Union; 21.9 percent to the Union of Socialist Polish Youth; 16.1 percent to the Independent Association of University Students). This fact slightly influences current membership in organizations (Polish University Student Association, 7.6 percent; Rural Youth Union, 1.2 percent; Union of Socialist Polish Youth, 1.0 percent). A larger percent of students has indicated participation "in other organized forms of social activity" (25.5 percent). Future intentions reflect the current status (7.0 percent intends to join the Association; from 1.0 to 1.7 percent intends to join the other organizations). This state does not result from youth's "inborn" aversion to organizations or to a lack of organization structures in departments, institutions, or not knowing members and activists.

Among the basic barriers to joining the Association the students listed: differences in views and convictions, the continuation of the Socialist Union of Polish University Students, subordination to the PZPR, a lack of organizational independence. It seems significant that 8.9 percent call for the dissolution of the Association. Some of the respondents note the possibility of changing the program and operations, which would make the Association closer to students.

Given the current form of the student movement, the opportunity for particular student organizations lies in changes that would make them more able to judge students' needs and expectations, more determined in expressing views, more independent and in changes in the methods and forms of work, creating within them conditions for pluralism of world views and of programs.

The large disproportions between the students sense of organized activities in current conditions and actual membership in organizations require finding the causes of this state not only in the faults of the existing organizations but also in the broader context of social conditions. This point is confirmed by 43.4 percent of the students when the required conditions are assumed. One of them might be changes that would make possible a more varied student movement. This fact appears confirmed in the empirical data. Under an assumption of organizational pluralism, the declared intentions of the young to join organizations exceeds that before December 1981, including an increase in the number of potential student members of the Association.

The data indicate a deeply ingrained sentiment for organizational pluralism in students' consciousnesses. All changes in the direction of an approach to this order can bring positive effects in the development of students' social activity.

In the present situation the Association can count on a limited inflow of members, chiefly from the early years, in small academic centers. Much depends on the Associations self-modifications.

So far only the operations of youth organizations at institutions of higher learning have been considered. Analysis of the question according to competencies naturally leads to inclusion of the self-governments, bringing out relationships between them and the organizations.

Among the six organizations (institutions), existing at present at Polish higher institutions, the respondents practically give the Rural Youth Union and the Union of Socialist Polish Youth no chance at a broader range of activities. Beginning at the department level, and ending at the national level, the mentioned organizations never received 20 percent acceptance for any issue. The self-government never fell below this figure in responses. The proposed model of action of student organizations differs significantly according to the area under discussion. At the department and institution level the student self-government, departmental and institution, decidedly dominate. Only at the level of the local community do the respondents allow for a diode model, and besides the institution self-government note the need for the Association's action. For all matters at the national level the students use a triad organizational model for all issues, where besides the self-management and the Association, other solutions appear, expressing an unspecified desire for a different shape for the student movement.

In the solutions proposed by the students, the self-government plays the decisive role, but it, as previous observations show, exists in many Polish institutions either in a skeleton form or not at all, despite the absence of obstacles to its full development. The students' expectations for the self-government are, as the survey shows, great, but simultaneously there is insufficient motivation to begin fulfilling them practically. The low level of organized activity among students, the common attitude of withdrawal and passivity (nearly 75 percent of the respondents "had not stained itself" with any form of organized activity, either student or non-student) stand in sharp contradiction with their views on the shape that the program of activity of particular student organizations (institutions) should take on.

The next conclusion can be the reflection that assigning the self-government such a large role (even in areas outside the institution) could result not so much from the dominate role of the self-government as much from associating hopes and aspirations with it not fulfilled by other student organizations.

This surely results from the students conviction (60 percent) that the Polish University Student Association is a continuation of the Socialist Union of Polish University Students with all its faults. Nevertheless, the Association, against the background of the other youth organizations, has a greater chance for a lasting presence among students in the future if it succeeds in gaining a larger, more visible independence from external structures, understood as expressing views and positions of its community on basic issues of academic life and the life of the country.



Taking into account the present reality of public life in Poland, and the students' desire for organization pluralism, the Association should become a place for the students to articulate themselves socially by making it possible to express the community's varied views and judgments.

It will be possible for the Association to achieve acceptance, in the light of the data above, in the area of local community issues. In particular, spheres such as work cooperatives, tourism, and student clubs. In these areas, which are relatively politically neutral and not burdened with the general negative judgments of the past and present, rapid success is to be expected.

The Association can encounter resistance or a boycott by the community for taking actions in questions that according to our survey are assigned to the self-governments. Opposition can then be a result of the Association attempting to speak in departmental matters, but also, if it is done in the name of all students and not in accord with their opinions, in matters outside the institution.

Table 1. Past Student Membership in Organizations

Have you ever belonged to any of these organizations?			
	Belonged/held no office (percent)	Belonged/held office	Total
Polish Scout Union	32.7	33.9	66.6
Socialist Union of Polish University Students	17.3	4.6	21.9
Independent Association of University Students	13.2	2.9	16.1
Communist Union of Polish Youth	0.1	0.0	0.1
Union of Socialist Polish Youth	3.1	1.8	4.9
Rural Youth Union	1.1	0.3	1.4
Union of Democratic Youth	0.3	0.2	0.5

Table 2. Respondents' Current Organization Membership

Organization	Belong/hold no office	Belong/hold office	Total
Polish University Student Association	7.6	5.3	2.3
Rural Youth Union	1.1	0.1	1.2
Union of Socialist Polish Youth	0.7	0.3	—
PZPR, ZSL, SD	1.5	0.3	1.8
Other	3.4	2.1	5.5

Table 3. Participation in Other Organizations and Forms of Social Activity and Type of Academic Center

In what other forms of organized social activity do you participate?

	type of academic center, percent			
	large	medium	small	total
student clubs and cultural sections	0.8	1.8	2.2	1.5
student tourist clubs	1.1	1.4	2.2	1.5
student work cooperatives	0.0	0.2	3.5	0.1
student scholarly circles	4.3	5.1	13.2	4.6
Student Sport Union and other student sport clubs	14.1	8.0	3.1	10.9
other student forms of activity	2.2	1.2	3.9	1.9
other non-student forms of activity	6.2	4.6	0.0	5.0
Total	28.7	22.3	28.1	25.5

Table 4. Planned Membership in Youth and Political Organizations in the Near Future

Do you intend to join a currently operating organization in the near future?  
Percentage of answers Yes

Polish University Student Association	7.0
Rural Youth Union	1.7
Union of Socialist Polish Youth	0.9
PZPR	1.9
ZSL	1.1
SD	1.0



Table 5. Competencies of the Polish University Student Association

The Association should:	percent
represent Polish students in the international student movement	36.3
participated in the work of the Committee of the Council of Ministers on Youth	27.4
supervise the organizational and program of activities of student work cooperatives	27.4
present the students' position on the political and economic decisions of the authorities	27.3
supervise the organization and program of the community student tourist clubs	26.4
supervise the organization and program of institution tourist clubs	25.8
supervise the organization and program of the activities of the Travel and Tourist Bureau Almaty	25.6
evaluate proposed legal acts concerning higher schools and academic life	24.0
have the right to present candidates for the national councils	23.0
have the right to present candidates for the Sejm	21.7

Table 6. Scholar Circles and Student Clubs and Their Subordination

Student Clubs and Circles	should (percent)				
	act within framework of student organization	form an independent federation	fall under university authorities	other solutions	several other proposals
scholarly	16.6	41.0	24.9	2.8	9.0
cultural	36.7	43.5	4.7	3.1	6.4
tourist	33.5	44.0	5.6	3.7	7.2
sport	29.3	46.0	8.1	3.3	7.1

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C30:2600/572

## 'MYTHS, OBSCURITIES' OF SECOND REPUBLIC EXAMINED

Warsaw TRYBUNA LUDU in Polish 30-31 May 87 p 8

[Text] Disputes and discussions on the achievements and setbacks, the opportunities--exploited and not exploited--of the Second Republic, go on incessantly and on various occasions. But also, a number of myths, insinuations and obscurities, connected with both individual events as well as the activities of certain figures in political life, have grown around this period of history.

A confrontation of different viewpoints, opinions and conclusions concerning this not-too-distant, after all, past of our country, is thus inevitable, necessary and useful. Two publications devoted to the between-the-wars period have appeared in a new series of popular-science history books published by the Youth Publishing Agency, under the common theme, "The Origins of the Present." The first book is Jan Tomicki's "The Second Republic--Expectations and Realities." This is not just another synthesis of the latest events nor is it a description of the most important events of the period being discussed. The author tries to present those phenomena which, after the partitions, had an influence on specific directions in the development of an again-independent Poland. He also analyzes the hopes which various social groups and political orientations linked to the fact of the rebuilding of the state and how these hopes did or did not materialize. The position of the left on various problems of the Second Republic occupies a separate place in Tomicki's book--in any case, this a very interesting chapter.

The second book is a biography of Jozef Pilsudski, "Pilsudski--Legends and Facts," written by a couple of young historians, Daria and Tomasz Naleczow. Although the biographies written by Andrzej Garlicki and Wacław Jedrzejewicz are already well-known, another attempt to grasp the activities of this leading politician, around whom many legends and stereotypes linger, greatly enhances our knowledge. The authors, in a very intelligible way, underscore both the favorable and unfavorable opinions about Pilsudski's activities and try to describe the mechanism of his governing, placing special emphasis on behavior and actions in the latter period of his life. The Naleczow's book will undoubtedly arouse a great deal of interest and may provoke another exchange of views on the subject of Pilsudski's activities, because the emotions connected with this personage are still alive.

It is important that the fund of information for historical discussions taking place among specialists and others has been increased. Also gratifying is the fact that these books are published with great care, on good paper, although their prices are not the lowest (310 and 480 zlotys, respectively).

POLAND

POLITICAL

#### LOMZA PLENUM CRITICIZES HOUSING BUREAUCRACY

Warsaw TRYBUNA LUDU in Polish 30-31 May 87 p 2

[Text] (PAP) The main topics at the plenary meeting of the PZPR Voivodship Committee (VC) in Lomza on 29 May, were housing construction in Lomza Voivodship to the year 1995 and party tasks after the PZPR CC Fourth Plenum.

One way in which the housing situation can be improved, it was pointed out, is to expand private construction, which in Lomza is 25 percent cheaper both in building and in operation, than socialized construction.

For 30 years we have been talking about the obstacles standing in the way of housing construction, said Jerzy Boruc from Zambrowa, and there are no results. And various innovative ideas have been submitted in this hall. Will they be put into effect? Is this possible when a investor still has to obtain as many as 30 different administrative decisions before he can build an apartment block? Who dreamed up these bureaucratic regulations?

The problems in construction were linked with the party tasks ensuing from the CC Fourth Plenum. Consideration was given to whether the party organizations and the party members employed therein are trying hard enough to correct the mistakes being made. The Primary Party Organizations (POP) in the Lomza housing cooperatives, said its first secretary Antoni Zazulin, as early as the period of preparations for the Fourth Plenum made an attempt to unify the efforts of the construction enterprises and housing cooperatives. Unfortunately, only one PZPR plant organization took this initiative.

The plenum passed a resolution on the courses of development of housing construction. A plan for the implementation of the Fourth Plenum resolution--concrete actions by party organizations and echelons aimed at a growth of the role of POP in the voivodship's sociopolitical and economic activities--was affirmed.

Stanislaw Gabrielski, director of the CC Political Department, took part in the meeting.

9295

CSO: 2600/678

## SOCIOLOGY REPORT ON WORKER, SOCIETY VIEW OF REFORM

Warsaw RZECZPOSPOLITA in Polish 30-31 May 87 p 5

[Article by M. Miecznikowska: "Who Is For Egalitarianism?"]

[Text] The sociologists recently received another interesting research subject: economic reform. Who is in favor of it? Who is against it, and why? Which social mechanisms (in sociology understood to be a play of different, sometimes contradictory, interests) make it difficult to apply new--qualitatively--solutions? How do the latter affect our social status and political and economic positions, and how do we look at reality? This is a subject for many scientific dissertations.

Of necessity, this pertains to the last few years. The published reports which are the end result of polls and document analyses are of a contributing nature. We still have to wait for a synthesis of these materials. But even these fragmentary reports are probably worth examining, because they not only give information on the status quo, they also give an indication for the future--an indication important for practitioners and decisionmakers.

That is the character of the report prepared by Dr Lena Kolarska-Bobinska and Dr Andrzej Rychard from the Institute of Philosophy and Sociology at the Polish Academy of Sciences (PAN), titled "Types of Social Divisions and Interests in the Polish Economy."

Let us begin from the conclusion. As studies conducted by many institutions show, the need for changes in the system of the functioning of our economy are generally perceived and accepted. Society is placing more and more emphasis on improving its effectiveness. This is an enormous trump card for all of those care about application of reform.

But, write the authors of the studies, this is a temporary state of awareness, and to squander it would mean the loss of one of the greatest opportunities we have. If, however, society's attitude towards improvement of efficiency is not a temporary state of awareness and will deepen, then the absence of changes in the economy will lead to a basic and growing discrepancy between needs and aspirations, and the mechanisms by which they can be met.



Although during the last few years this was not always the result of the action of the principles of reform, the differences between economic organizations grew, thereby causing a differentiation in worker's living standards. Examination of the "500" list shows that there is no connection between average wages and enterprise-efficiency indicators. This is the consequence of a wage ratio left over from the 1970's and the State Vocational and Activization Fund (PFAZ) formula, and most of all, the discretionary treatment of enterprises. It is not the one who produces more and better who earns the most, but the one with the greater bargaining power. Generally, the larger enterprises, those which traditionally represent the heavy-industry sector and the fuels-energy complex, are the winners.

Also not without significance is the role of the trade unions which, in wanting to strengthen their position and increase their popularity among their workforces, are passionately defending sector privileges.

Since 1980, growing differences have been observed in workers' opinions on the issue of social justice (1985 cyclists). The opinions of skilled and nonskilled workers are growing farther apart. The economic stances of higher-skilled workers are converging with the preferences of technicians and specialists who have a higher education.

At the same time, industry's sector structure is unifying the interests of employed workers, regardless of their socio-occupational affiliation. As empirical data show, the concentration of skilled workers is greater in some branches than in others. For example, in 1984 in the mining industry, there were 51.5 percent skilled workers and 6.1 percent unskilled workers. In the heavy industry and machines industry, the figures were 57.6 and 5.7 percent, respectively; in light industry, 43.6 and 13.6 percent; and in the food industry, 28.6 and 27 percent, respectively. These figures are from the "Poles '84" study.

The observed drop in social activeness, the "return to privatism," and economic difficulties, are responsible for the fact that it is not primarily political convictions which divide us now, but material interests, how we live. These, because of the mechanisms of economic reform, often are common to all enterprises and not just selected strata and classes, or groups with specific political viewpoints. In short, it can be said that at the base of all documents dealing with reform, applying more or less detailed solutions, lies the conviction that productivity and quality of labor must be tied to wages. This conviction assumes a differentiation of wages and therefore a differentiation in worker affluence depending on labor input.

Is there public agreement on this? A whole gamut of egalitarian stances appeared at the beginning of the 1980's. There were loud demands for elimination of wage scales, for compensatory wages, more societal protection. A great deal has changed since then.

Scientific studies as well as public opinion polls show that more and more we are agreeing, at least verbally, that good and bad work cannot be rewarded the same. Regardless how many children one has or which organization one belongs to.



Affluence is seen as one of the basic criteria differentiating our society. In studies conducted by Dr Krystyna Janicka, also from PAN Institute of Philosophy and Sociology, the following question was asked: Should any of the listed differences not be present? The list contained the affluence factor, sociopolitical viewpoints, religious beliefs, education, and social origins.

From the unsolicited remarks, writes the author of the study, in which the respondents voluntarily described the range of their intolerance towards perceived differences, it appears that the advocates of radical egalitarianism are hardly present. There were 4 percent in the nationwide sample, 2 percent workers and 0.6 percent engineers in large industrial plants. Compared with workers in large plants, workers in the nationwide sample accept differences in affluence to a greater degree.

That is as much as statistical comparisons reveal. But the truth is that how one sees things depends on the point of reference. Things look different from the position of someone filling out a questionnaire, and different from the position of someone who on the first of each month stands before the pay desk, wanting to draw as much as possible. Or at least as much as his fellow-worker.

9295

CSO: 2600/678

## OPZZ, WRITERS UNION COOPERATION PLANS

Warsaw TRYBUNA LUDU in Polish 3 Jul 87 p 3

[Article by G.C.: "Trade Unionists Desire Contacts with the Writers Community"; passages in slantlines printed in boldface]

[Text] /On 2 July, functionaries of the ZLP [Union of Polish Writers] headed by ZLP Chairman Wojciech Zukrowski met in Warsaw with representatives of the OPZZ [National Accord of Trade Unions], including OPZZ Chairman Alfred Miodowicz. A program of cooperation between writers and trade union functionaries was signed./

To ensure the implementation of the program, the ZLP will set up a commission on cooperation with the OPZZ and relevant agencies of the trade union movement. The program calls for stepping up measures promoting readership, specially of modern literature, among workforces and undertakings aimed at improving the language and literary culture of the working people.

/Meetings with the authors, fairs, competitions and other literary events will be held in enterprises, recreation facilities and enterprise cultural centers./ The Union of Polish Writers will take care of young authors from among the workers by, among other things, arranging various consultations and training sessions for workers who write. On its part, the OPZZ will provide aid in solving social problems of ZLP members, especially with regard to vacations, health care and prevention and openings at health resorts. The OPZZ and ZLP will attempt jointly to create material and organizational opportunities for longer stays of writers among the workforces, which could result in modern works of literature on the life of workers. In addition, it is expected that /the OPZZ literary prize/ will be awarded in the field of prose, poetry, documentary literature or playwriting for theaters, movies, radio and television.

Deputy Head of the PZPR CC Department of Culture Zbigniew Domino and PZPR CC Secretary Bogdan Michalski attended the meeting.

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CSO:2600/724

## OPZZ DEPUTY CHAIRMAN ON ILO SESSION, MEMBERSHIP ISSUE

Warsaw ZYCIE WARSZAWY in Polish 6 Jul 87 p 3

[Interview with Jerzy Uziebla, deputy chairman of the OPZZ, by Danuta Sielska: "Mandate for Polish Trade Unions"; date and place not given]

[Text] [Question] You have just returned from the 73rd International Labor Conference in Geneva, and we might say, with good results. What are the major reasons to be satisfied with our participation in the work of the ILO [International Labor Organization]?

[Answer] First of all, we are happy to have had the occasion to exchange our views with various delegations, to present our point of view on Polish affairs and report on the current situation in our country. For the first time in a long time, Poland sent a delegation complete with three contingents: representatives of the government, employers and trade unionists. The arrival of OPZZ [National Trade Union Accord] representatives aroused the most interest. After all, we were there for the first time. We knew that we were not accepted by some of the participants. We knew that the Polish issue would be discussed.

[Question] The trade union movement initiated our return to the ILO. Did the course of the session bear out your conviction that this decision was correct?

[Answer] Certain hesitation which accompanied discussions about our announcement on participation in the session was caused by the fact that over the last several years Poland was subject to harsh attacks in the ILO forum. This became the reason why we announced our withdrawal from this organization. At present, we have decided to stop this process. I make no secret of our position being instrumental in making this decision. As early as September of last year, the OPZZ Council adopted a resolution on the need to settle our relations with the ILO. We also announced this at the International Congress of Trade Unions in Berlin. At present, we maintain contacts with 90 countries of the world. Still, we believed that recognition of the OPZZ by this international forum as well will reinforce the position of Polish trade unions in the world and will become an important political fact of significance for the process of normalization in our country.

Besides, we believed that if we are the subject of attacks in a particular forum, then that is exactly where we should be, because those who are not present are not right. On top of that, Poland was one of the founders of the ILO, and it would be a shame to lose a place in this organization which has such achievements and international prestige. As trade unionists, we are very interested in the work of the ILO, where a powerful workers' group exists and important regulations and conventions affecting employees are promulgated. Also, governments and employers assume certain obligations in the ILO, which makes it easier for the unions to defend the rights of employees. The ILO is a place where representatives of all political systems meet. Therefore, the exchange of ideas may have far-reaching implications for the victory of the concept of cooperation and coexistence. These were our arguments, and we can say now that the proceedings of the session have borne us out.

[Question] So, let us hear what transpired in Geneva concerning the Polish issue.

[Answer] The session lasted almost four weeks. At first, we were aware of some surprise caused by our presence, and on top of that by the full complement of our delegation. We felt that our presence was accepted by many delegates. We were well received by the ILO authorities and, certainly, the delegates of socialist countries were satisfied. Among the events of importance to us, we should note the presentation made at the session by minister Janusz Pawlowski, who, among other things, talked about our openness and good will as far as developing international contacts is concerned. Alfred Miodowicz also took the floor and, in front of a packed hall of very interested participants in the session, spoke about our trade union movement and the fact that it wants to be an authentic defender and representative of the working class, proceeding from the basis of [political] system changes. He spoke about our powers, which make it possible to affirm workers' rights and influence the social policy of the state. The presentation of the OPZZ chairman was listened to attentively. His press conference also aroused much interest.

I have already mentioned that we held talks with various delegations, e.g. of Finland, Denmark and Venezuela. We explained some of the problems of Poland and responded to various questions which were thorny at times. We wanted them to have necessary knowledge of our affairs when the Polish issue came up in discussion.

[Question] However, we did not get everybody over to our point of view, because the representative character of the OPZZ credentials was challenged.

[Answer] Two West European confederations tabled a motion to withhold recognition of the OPZZ credentials: the WLC [World Confederation of Labor] and the ICFTU [International Confederation of Free Trade Unions]. This motion was subsequently considered by the Credentials Committee. We talked with the representatives of the government, with the party tabling the motion, and with the representatives of our confederation. After these talks, OPZZ credentials were recognized unanimously. I believe that this is somewhat of a success, given all the campaigns which have been mounted against us in the West.

Poland came under attack several more times during the ILO proceedings, including the meeting of the Committee on Compliance with Conventions. The retorts of our delegates and counsellors were well accepted and understood. The speech by Jerzy Milewski from the Brussels office of [NSZZ] Solidarity, who came as a member of the ICFTU and WLC delegations, is a separate matter. He maintained that Solidarity should be represented in Geneva, that the government does not recognize the trade unions which exist de facto. Once again, one of our counsellors countered that this is an attempt to poison the political atmosphere. He outlined the development of the present trade unions, with their program ruling out any politicizing. He also remarked that the problems of a country are resolved locally rather than abroad. It was apparent from the response of the audience that we had won that round as well. The final report says that our present trade unions are fully representative.

[Question] What are the practical benefits of our delegation's stay in Geneva? When are we going to return to this organization?

[Answer] The decision of our government is the most important in this matter. Personally, I believe that if such a decision is made, our return to the ILO will be neither easy nor undisputed, because we also have opposition, as we have seen. As trade unionists, we believe that the effort should continue. However, I think that we should also arm ourselves well with arguments for our next trip.

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CSO:2600/724



## PASSENT COMMENTS ON CHURCH-STATE RELATIONS. POLICY

Warsaw POLITYKA in Polish No 26, 27 Jun 87 p 16

[Article by Daniel Passent: "On the Balcony"]

[Excerpt] In recent years the situation has partially returned to normal, inasmuch as again there are two pillars in Poland, the state and the church, the church and the state. Among the supporters of each, and they are frequently the same people, there are varied opinions of how far the agreement of these two forces should go and who benefits most from such agreement. The case of the catholic activist who was forced to resign as chairman of the Clubs of Catholic Intellectuals because he accepted an invitation to participate in the Consultative Council shows that there are supporters of dialogue but a peculiar one, only from the trenches, and in this group they are the majority.

During the First World War, which was largely positional, there were cases of the Germans and French, dug in across from one another, putting up insulting signs or ones to make the opposing soldiers laugh out of sheer boredom. This amused some immensely, and they put up a variety of signs on the rock faces. We can imagine a similar scene in Poland, where some will write OUR order and others will add the letter Y to make YOUR order.

This game, however, gets one nowhere, and people in Poland increasingly realize the country's condition is too serious to simply muddle through. People and circles who create an atmosphere unfriendly to cooperation poorly understand the good for Poland. There are such authors in Poland and abroad. Some articles, columns, and notes in the Polish religious press are edited in such a desperate tone that their authors and editors, even their readers, if they took this journalism literally, would not engage in any creative work and would remain in a state of boycott, danger, and waiting. Waiting, survival, enduring are ideas which promoted today illustrate a way of thinking: hide, conceal, submerge, bury oneself, in the church, in the family, and read ancient and modern prophets, embroider a banner, hum battle songs one's whole life. A portion of the Polish press abroad, which does not have the courage to admit how complex and varied our reality is, and loves every affront to the state authorities or the church, and seeks every ill word in homilies, every allusion in sermons, writes in this same style. It is no exaggeration to say that this is no struggle.

There are, however, non-believers who appreciate the services and role of the church. They do not view it only through political glasses; they appreciate the difference between a mass [religious ceremony] and a strike. There are also level-headed people who do not share the ideological premises of the state, who are not communists, who do not belong to the party, who are not even interested in politics or the exegesis of speeches and sermons, but who do have an elementary sense that they must do their work as well as possible. Especially now, when conditions and circumstances are so inimical, for example, in the economy or when political conditions like Western multiparty democracy are not met and it looks like they will not be met. Posing new conditions, forcing new concessions and giving as little in return as possible--this will get us nowhere and destroys any hope for further gestures of good will from the other side. Personally, I am not for struggle without cooperation and this is one reason why I could not work for partisan journals. It would feel wrong to constantly direct my fire in the same direction.

Slogans on walls, flyers, books, or sermons will not change the fact that the two greatest forces in Poland must continue their creative discussion and cooperation which derives from their responsibility for the nation and the state. No one else bears such great responsibility, even if he usurped it. One hears many generalities in Poland--the need for more democracy, more order, more freedom, more organizations, unions, associations. As a general prescription these sound attractive. I am for them as is everyone. But if those who call for more democracy simultaneously teach the use of it only for saying no, opposing, then from whom are they expecting this liberalization? One must be naive to expect only services from the authorities for its bitter, partisan opponents. I am for promoting people who deserve it, registering useful association, clubs and organizations, multiplying paper (when will POLITYKA get some?), but I do not understand why the authorities must help make the whip to be used for beating themselves or strengthen their opponent's structures. No one consciously gives his opponents weapons, although unconsciously this happens frequently in Poland. Things are made more complicated because democracy is "dangerous," but its faults are also dangerous.

When a politician hears appeals for more democracy, he does not think in abstract categories, but in real ones: how will this additional margin of freedom be used? It is true that democracy is not a gesture or a gift, but large structures, like political parties or churches, undermine the internal boundaries of discussion and insubordination. It is no accident, for example, that criticism of the churches, including in the West, comes from outside; the Polish catholic press does not usually debate with itself, does not allow criticism of its hierarchy, and its policies, while directing its fire and condemnation against those whom it regards as its enemies (whether rightly or not is another question). For example, I have encountered no proposals on how to honor the vain sacrifices of Napoleon's soldiers who crossed Poland several times.

Some facts and phenomena in the state press in turn, in which I work and feel more at home, also offend me. For example, the television commentators at the farewell to the Pope at the airport were surprised that after his nearly hour-long discussion with the Pope the general got into the car to go to the plane.

The incompetent commentary caused many people to be shocked at the sight of the departing car of the chairman of the Council of State. The commentators had nothing to say for the other 55 minutes at such an important occasion, so we listened to harpsichord music and chamber music without end as if something were wrong with the connections, wasting valuable television time. It would have been possible to show a clock in one corner of the screen to show how long the meeting had lasted. And given a little more invention and less stiffness they could have shown a live discussion from the studio or interviewed people at the airport, laymen and clerics, on the events. But the fact that the next day various newspapers produced a uniform commentary by one author, otherwise good, suggests that the editors cannot think or print anything.

It was bad that during the last few days the picture of Poland as a police state opposed to the church, where there is no politics and understanding but only clenched teeth and fists, was reinforced in the West. This did not happen by accident; this picture was consciously built up and transmitted, but close, objective observers of the Polish scene know that the roles performed on it are not so schematic or black and white. The historic experiment in Poland continues, and it is not just a list of failures. We should trust that the efforts made to disturb the policy of understanding and cooperation between the state and church will not succeed; in any case I would not want to witness this. This policy, like any other, is not a prescription for everything, but the very fact that it deprives irresponsible elements and unpredictable groups of significance is worth support. It looks as if in our editorial practice we are the only ones who have opened their pages to authors with different opinions, which our readers surely appreciate; but I cannot see that the other side is equally open and tolerant.

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CSO: 2600/697

## CATHOLIC WEEKLY REVIEWS RES PUBLICA FIRST ISSUE

Krakow TYGODNIK POWSZECHNY in Polish No 26, 28 Jun 87 p 7

[Unattributed article: "Res Publica"]

[Text] The appearance of the first number of the monthly RES PUBLICA published by an independent group of Warsaw intellectuals without any state or church support is an important event in Poland's cultural life. We greet it with joy for it promises something new and different. The point is that there must be journals produced by people concerned with something, who have a common program, their own ideas and not by an accidental collection of people. Private newspapers, private theaters, private film studios, managed by outstanding individuals, may be the last chance to enliven our blocked or frozen intellectual, literary, and artistic life and restore paths of communication for Polish culture. For now, these are merely a journalist's dreams.

In an introductory editorial note the editors of RES PUBLICA--Wiktor Bluski, Damian Kalbarczyk, Pawel Kloczowski, Marcin Krol (editor-in-chief), Tomasz Lubinski, and Pawel Spiewak)--reveal their intentions and aims: "We aim to published a journal for those who want to participate in open discussion. A journal created by the generation involved in all the events of the last several dozen years. We believe that this fund of experiences should not be wasted in frustration and hopelessness. Joined by a common biography, we want to expose and oppose reactions dictated by passions and hate, which cloud clear thinking and destroy the foundations of social life."

The polemical tone does not exclude the need to bear witness. "We desire to be present in the constantly changing world. We regard this as an obligation and challenge standing before us. We do not want to construct closed systems; these always lead to orthodoxy and instruction. We want to seek ourselves and stimulate others, and thus to awaken people to concern for the cultural and public world. Whenever possible, we will take up difficult issues and enter disputes even with our friends." Another quote from the editorial note: "We intend always to be among the genuinely important questions: how can one live and how does one live in Poland, how does one live in a culture undergoing stormy changes. Among the many subjects and thoughts we will take up there are several of particular importance. First, a criticism of culture conducted against only one standard, that of quality. Second, the reconstruction of



intellectual life, the support of still vigorous trends and a calm judgment of stagnant ones. Third, exposure and description of various attitudes toward life, and revealing the amazing differences among groups and interests. Fourth, the analysis of the place of Polish culture and traditions and Polish aspirations and weaknesses in the contemporary world, especially in Europe, our larger homeland."

These are great intentions, praiseworthy and difficult to carry out in our difficult situation. The contents of the first number of RES PUBLICA, however, are the best witness for the editors of the new monthly. It promises a journal critical of all radicalism, ideological myths, and imagined usurpations, mistrustful of moralism in politics. This polemical refrain winds through several essays grouped under the heading "Another Country" (Damian Kalbarczyk, Andrzej Chojnowski, Ireneusz Bialecki, Marcin Krol) and fragments of an editorial conversation "Time for Politics" (Pawel Spiewak, Pawel Kozlowski, Wiktor Bluski, Marcin Krol), which are a record of common agreements. These are lively texts due to their multiple viewpoints, varied starting points and conclusions, new perspectives of thought. Written by a political journalist, an historian, a sociologist, a philosopher, and a literary critic. Such texts cannot be found in other official journals published in Poland. And the awareness of this difference, the newness, brings intellectual and aesthetic satisfaction.

RES PUBLICA is attractive for the reader because of the authors' varied forms of statement: a literary essay (Malgorzata Dziewulska: "Pictures from an Artist's Hell"), poetry (Song XXVI from Dante's "Inferno" translated by Tomasz Lublinski, a fragment from the volume "To Drive to Lwow" by Adam Zagajewski), an intimate diary ("Diary" by Mieczyslaw Jastrun from 1958), a philosophical essay ("Five Incarnations of Socrates" by Ryszard Legutki), and essay on the economy ("The Chinese Hold on Strongly" by Michal Zielinski), an historical essay blending sociology, philosophy, and politics ("Returns to Greece" by Pawel Spiewak). "Current thought," writes Spiewak, "is condemned to possessing a system. It is provincial, for within the realm of its historical experience, it seeks enduring measures, which makes it incapable of transcending its own limits and sentences it to constant ruminations on the same topics. The situation created by totalitarianism requires finding a viewpoint that includes all of the spiritual experience of existence, requires thinking in categories of duty and destiny. And only then can we find enduring measures, measures assigning us our identity and how we should create a worthy order. Then we will avoid the danger of relativism and excessive attachment to accidental, though inherited prejudices and antipathies."

The short items in RES PUBLICA (book reviews, notes, press reviews, interviews on the most important cultural events in 1986, in the broadest sense) are very interesting. Among these short articles, brief notes and comments, there are optimistic comments (Konstanty Jelenski regards the Polish publication of Witold Gombrowicz's works as an important event) and very sad ones. Krystyna Janda: "This past year nothing moved me, except perhaps our helplessness." Andrzej Bonarski, writer: "And I no longer feel anything. And I have no ideas or plans." Mieczyslaw Porebski: "Who or what still needs so-called general culture, and especially spiritual culture? The same thing has happened to it that happen on an incomparably broader scale with physical



culture, now dominated by well-paid competitors compared not without reason to the ancient gladiators of their benefactors."

The first number of RES PUBLICA dated June 1987 ends with an outstanding interview of Andriey Tarkovskiy by Jerzy Illeg and Leonard Neuger in Stockholm on 26 March 1985, 18 months before the death of the great poet of the Russian cinema. I cite one quote from this interview that speaks of the drama of the infringement of tradition and of the artificially staged breakthroughs in the history of culture. Tarkovskiy evokes an extremely concrete context. But his conclusion has universal meaning. And it should be a warning also for politicians, authorities, for all those who have not rid themselves of the temptation to manipulate culture: "it seems to me that no culture can develop in a vacuum. We can take and transplant some valuable plant, rip it up and replant it. It will not grow, nothing will come of it. This is why the writers of the breakthrough who began their work before the revolution and continued their work after it experienced their fate so tragically: Alexandr Tolstoy, Gorki, Majakovskiy, Blok. This is drama. Bunin....This is a terrible drama. Achmatova....and God knows who else. The tragedy of Tsvetaeva....Nothing was gained, transplantation was impossible. And nothing should have been transplanted. They simply should not have made this horrible experiment with culture. Such vivisections are even more brutal than torture of the human body, for they destroy the spirit."

The nice graphic layout of the journal by Marcin Krol and his friends, the good paper, Jozef Czaplinski's drawing on the cover, the reproductions of Peter Breugel the Elder's drawings inside. The cost is 250 zloty a copy. We suggest you subscribe, for RES PUBLICA will be distributed in small quantities by Ruch. The journals administration is the sole source for subscriptions. Payments may be made to the account: Res Publica, Inc. PKO, Oddzial XI in Warsaw--1616-13417-136.

PS: We have reviewed a promotion copy. RES PUBLICA will reach readers in a few days time.

13021

CSO: 2600/697

## EXPERIMENTAL CLUB TO OFFER INTERNATIONAL VIDEOS

Rzeszow NOWINY in Polish 19 Jun 87 p 1, 2

[Unattributed article: "An Experimental Club of the National Publishing Agency in Iwonicz Zdroj"]

[Text] The Rzeszow office of the National Publishing Agency has shown, and not for the first time, that there is room for brave, inventive initiative in culture while the economic reform is being implemented. After the recent opening of its tasteful and nicely profitable store in the middle of Rzeszow, Iwonicz Zdroj gained a much larger and more functional cultural institute of the National Publishing Agency. Thanks to the help of the management of the local health sanatoriums, which made a large ground floor area of more than 250 m2 available in its sanatorium Sanato II, the Agency's Rzeszow office was able to organize and equip the Agency's first experimental club in Poland.

The new institution, whose opening we reported a few days ago, has a large club room with a buffet which will host meetings with authors, recitations, recitals, and miniconcerts. There is also an associated store of the Agency's Rzeszow office, which has been popular with the local people and the sanatorium patients. Since all of this is located in a building which was an underground hospital for the Home Army during the Nazi occupation, space was set aside for a Room of Remembrance, in which to display photocopies of historical documents, uniforms, and souvenirs of the war and occupation and the struggle to defend the people's authorities.

The greatest attraction is the ability to play video cassettes thanks to the presence of a color television and videorecorder. As yet the club's hosts have not been able to collect a sufficiently large number of them, but they are predicting that as the supply of cassettes improves in the next few weeks one day a week will be devoted to non-stop video.

Zygmunt Klatka, the chief editor of the Agency's Rzeszow office assured us that his firm is endeavoring to mount a satellite antenna on the building of Sanato II and later to use it in the club's activities. If this aim comes to pass, the Iwonicz club will be the first public cultural institution in this region offering its clients contact with the world using the latest television transmission technology.

Everything now depends on whether the Agency's store and club will earn enough money to finance such a rich, ambitious program, for in our hard economic reality, the experiment cannot end in a financial disaster and with a cry for subsidies. If it is successful, and we believe it will be, then not only Iwonicz Zdroj will gain a continuing cultural value, but it will create the opportunity for other centers in Poland to establish similar institutions.

13021

CS0:2600/723

## BRIEFS

**SOVIET MILITARY PROSECUTOR TALKS**--A delegation of Soviet military prosecutors led by Gen Lt Borys Popov, the chief Soviet military prosecutor of the Soviet armed forces, visited Poland at the invitation of the main military prosecutor. Views on and experience in the combating and prevention of crime among soldiers were exchanged. Jozef Baryla, member of the Politburo and secretary of the PZPR Central Committee, received the delegation. The Soviet lawyers also met with Jozef Zyta, general prosecutor, and Gen Div Tadeusz Szacilo, head of the Main Political Directorate of the Polish Army. [Text] [Warsaw ZOLNIERZ WOLNOSCI in Polish 11-12 Jun 87 p 1] 13021

**LEGNICA DEFENSE COMMITTEE MEETING**--Yesterday the Voivodship Defense Committee met in Legnica. It familiarized itself with the socio-political situation in Poland and the voivodship and evaluated the state of security and public order in the Legnicki voivodship. The Defense Committee gave a high grade to the spring civil defense exercises. It also familiarized itself with the patriotic and defense activities conducted by the voivodship boards of the Union of Polish Youth, the Rural Youth Union, and the Flag Command of the Polish Scout Union. [Text] [Wroclaw GAZETA ROBOTNICZA in Polish 20-21 Jun 87 p 5] 13021

**LOCAL CIVIL DEFENSE DISCUSSED**--The operation of civil defense, especially the improvement of its actions during peace time was the subject of the meeting of the Voivodship Defense committee in Olsztyn. The topic was discussed in the presence of the head of national civil defense, Gen Arms Tadeusz Tuczabski, deputy minister of national defense, and Gen Bde Zdzislaw Ostrowski, deputy leader of the Polish Military Organization. The main goal, in the case of a threat, is the protection of the people. In the case of the Olsztyn Voivodship, the protection of the food industry from various natural disasters and contamination is also an important goal. During the rest of the meeting, Mieczyslaw Kubicki, secretary of the PZPR Voivodship Committee, evaluated the recruitment of youth to military vocational training schools. Col Kazimierz Dudek, head of the Voivodship Office of Internal Affairs, described the state of harmony and public order in the region during the last few weeks of the current year. [Text] [Olsztyn GAZETA OLSZTYNSKA in Polish 20-21 Jun 87 p 2] 13021

**POPE RECEIVES KUBERSKI**--Pope John Paul II gave an audience on Tuesday to Head of the Team for Permanent Working Contacts between the government of the FRP and the Holy See Councillor, Minister Plenipotentiary Jerzy Kuberski. [Text] [Warsaw TRYBUNA LUDU in Polish 1 Jul 87 p 6] 9761

**SOCIOLOGY STUDIES EASILY MANIPULATED**--Dr Jacek Sznatka, president of the Krakow branch of the Polish Sociological Society: "...social sciences are very susceptible to manipulation. One need only quote certain parts and select tables and charts from an extensive report or analysis known only to the authorities and the author, to obtain a result, e.g., political, which is completely in divergence with the actual scientific conclusion of the report. This has been practiced and it is also the reason...why sociologists have lost credibility in the eyes of the public." (From an interview with Zbigniew Pelka, DZIENNIK POLSKI, 15 June) [Text] [Warsaw POLITYKA in Polish No 24, 13 Jun 87 p 2] 9295

**AUSTRIAN SCIENTIFIC-CULTURAL AGREEMENT**--On Thursday, an agreement between Poland and Austria on cooperation in culture and science for the years 1987 through 1987 [as published] was signed in Vienna, at the seat of the Ministry of Foreign Affairs. The documents cover several dozen specific undertakings, the implementation of which will make possible a considerable expansion of contacts and cooperation between Poland and Austria. [Text] [Warsaw TRYBUNA LUDU in Polish 12 Jun 87 p 6] 9761

**DIRECTOR PROFILE NOTES EDUCATIONAL BACKGROUND**--In KURIER PODLASKI of 2 June, Janusz Krawczyk interviews Dr. Maria Paczkowska, the author of a report on research of the careers of directors in state administration. Among other things, she said the following: "Our survey included 188 directors from Warsaw and 200 directors from 12 randomly selected seats of provinces. Eighty-eight percent of those surveyed are men. Almost all are over 40; the average age is 49. All but several persons have college degrees. More than one-half received B.A. and engineering degrees while already working. The average tenure at work is 28 years; tenure in management positions is 12 years on the average. A majority of directors, almost 70 percent, were appointed to their present post after 1980. Most often the directors come from families of workers and peasants (a total of 41 percent). Not a single one of them is the son of an official in a high leadership position, i.e. belonging to the so-called top echelons. The careers of a majority of directors are continuous. They are marked by gradual advancement and promotion from the ranks to managerial and directors' positions. Education is the decisive influence on careers. The influence of education, already apparent at the outset of a career, is further strengthened later. Persons who are "educationally mobile," i.e. those continuing their education, have a greater chance to move up." [Text] [Warsaw ZYCIE WARSZAWY in Polish 12 Jun 87 p 3] 9761

**NEW INTEREST IN PUBLISHING SOVIET TITLES**--Soviet literature is much talked about these days, and for a good reason: for some time now, works have been brought out in the USSR which for years could not find their way to the readers, and new interesting novels are being written. Polish publishers do not want to be left behind and, apparently, keep abreast of the developments, endeavoring to bring to our readers the most famous works of Soviet literature as fast as possible. Thus, "Iskry [Sparks]" is to publish "The Children of Arbat" by Anatolii Rybakov, a novel on Stalin's "technology of power"; the PIW [State Publishing Institute]--"The Scaffold" by Chingiz Aitmatov (we have



published an excerpt in WPROST), "A Sad Detective Story" and "To Live a Life" by Aleksandr Bek. A documentary novel "The Die-hard" by Danil Granin about the dramatic story of an outstanding specialist on genetics (a real person), who was finished off by the "Lysenko group" is on the plan of "Czytelnik [Reader]." "Ksiazka i wiedza [Book and Knowledge]" will publish "Gleam of Fire" by Iurii Trifonov, published in the USSR in 1966. However, the readers should not expect to receive these books as early as this year. We should be very patient, because the publishers project that the books will be on the shelves within 2 years from now. Anyway, this is fast given our present resources. One more note: as of now, we are not aware of the publisher who will bring out "Doctor Zhivago" by Boris Pasternak. [Text] [Poznan WPROST in Polish No 24, 14 Jun 87 p 3] 9761

1987 JAROCIN ROCK FEST APPROVED--Final decision on this year's Rock Festival in Jarocin has been made. The fans should be satisfied--Jarocin'87 will go ahead! The event will start on 5 August and last for 4 days. The set of tickets to all concerts will cost 1,500 zlotys, or as much as last year. [Text] [Poznan WPROST in Polish No 24, 14 Jun 87 p 3] 9761

LABOR SHORTAGE CONTRADICTION--There are 315,000 vacant jobs in Poland. Divisions of employment have registered 4,300 persons looking for work, whereas about 400 persons collect...unemployment benefits. [Text] [Poznan WPROST in Polish No 24, 14 Jun 87 p 2] 9761

SATELLITE TV ANTENNA PURCHASES--Satellite TV increasingly attacks the Polish viewer. On 1 June 1987, the PEWEX [Internal Export Enterprise] began to sell satellite TV antennas. So far, the price is steep: \$1,299 for a dish 1.5 meters in diameter and \$1,599 for a 2-meter dish. They say that signal is the best for the US CNN network, the Italian RAI Uno, the Luxembourg RTL Plus and the West German 3 SAT. The rest of the stations are said to have snow in the picture. As soon as this year, the Television Plant in Warsaw will start up experimental production of satellite TV converters. A CEMA satellite will likely be put in orbit in 1992. [Poznan WPROST in Polish No 24, 14 Jun 87 p 2] 9761

POLISH TOURISTS CRITICIZED IN BELGRADE--The Belgrade POLITIKA writes about Polish tourists: "Citizens of Poland present a special problem. With minor exceptions, all of them come here to engage in illegal trade. They do it in an organized fashion, enlisting the help of some of our citizens--for a fee, of course (...). An invitation from a person in our country is all it takes for a citizen of Poland to be able to come to our country. These invitations have turned into a "business" of sorts. Individuals in some townships prepare these documents by the stack, even blank ones, and sell them to the Poles at \$16 to \$20 apiece." [Text] [Poznan WPROST in Polish No 24, 14 Jun 87 p 2] 9761

POLISH TOURIST 'BUSINESS' CRITICIZED--Hungarian authorities announced the closure of all markets and other locales where Polish tourists engaged in brisk trade. The Budapest militia announced that raids will be continuous and not only in the vicinity of Keleti Railway Terminal. The customs as well are promising very strict inspections at Hungarian border crossings. It looks like the Hungarians are out to get rid of the Polish "tourists" in earnest.

It is interesting what the response of our "traders" is going to be. Will they take it lying down? [Text] [Poznan WPROST in Polish No 24, 14 Jun 87 p 2] 9761

LITHUANIAN CP DELEGATION VISITS-- On 30 May, a delegation of the Central Committee of the Communist Party of Lithuania, led by CC First Secretary Petras Grishkevichius, arrived on a visit to Suwalki province. The delegation will, among other things, visit the Goldap Agricultural Combine and Pusk gmina populated by a numerous group of persons of Lithuanian extraction. The program also included visits to Warsaw and Bialystok. [Text] [Warsaw TRYBUNA LUDU in Polish 1 Jun 87 p 2] 9761

POLISH-SWEDISH FRIENDSHIP SOCIETY--A general meeting of the Polish-Swedish Friendship Society was held in Warsaw. The meeting discussed the tasks of the society in promoting friendly relations between the peoples of Poland and Sweden and an expansion of comprehensive, mutually beneficial cultural, scientific-technical and economic cooperation between the two states. Prof Wladyslaw Jaworski, deputy chairman of the National Bank of Poland, was elected chairman of the Main Board of the Polish-Swedish Friendship Society. [Text] [Warsaw RZECZPOSPOLITA in Polish 2 Jun 87 p 2] 9761

WRITERS UNION OF 1982-1986 PERIOD--A 2-day symposium sponsored by the ZLP [Union of Polish Writers] Main Board which began on 1 June is devoted to the Polish prose of the years 1982 through 1986. As ZLP Chairman Wojciech Zukrowski stressed in the opening statement, the tasks of the symposium are to review comprehensively the achievements of prose in the past 5 years, to evaluate various currents and phenomena which surfaced also in the so-called second circulation system of literature [translator's note: publications produced and disseminated illegally]. [Text] [Warsaw RZECZPOSPOLITA in Polish 2 Jun 87 p 2] 9761

NEW JOURNALISTS ASSOCIATION EXECUTIVES--On 1 June, the first meeting in the new term of the Board of the Division of Press Agencies of the SD PRL [Association of Journalists of the Polish People's Republic] was held. The following were established as the executives of the board: chairperson--Hanna Grzegorzczak (PAP), deputy chairpersons--Jan Gryglak (Interpress) and Ireneusz Sobieszczak (WAF), secretary--Barbara Kobielska (PAP), treasurer--Tadeusz Kossek (Prespol). [Text] [Warsaw RZECZPOSPOLITA in Polish 2 Jun 87 p 2] 9761

PZPR ORGANIZATION GROUP IN USSR--A working group of the Political-Organizational Department of PZPR CC including Deputy Head of the department Janusz Zemke and Deputy Rector of the ANS [Academy of Social Sciences] Prof Bronislaw Ratus sojourned in the USSR. The extent of training Polish party cadres in party schools of the CPSU in the academic year 1987/1988 was finalized during talks at the CPSU CC with Deputy Head of the Department of Party Organizational Work comrade Nikolai Zolotarev, at the Communist Party of Belorussia CC and with rectors of the Academy of Social Sciences and the Higher Party Schools in Moscow and Minsk. [Text] [Warsaw TRYBUNA LUDU in Polish 2 Jun 87 p 6] 9761

IRANIAN HIGHER EDUCATION COOPERATION--On 3 June, Minister of Science and Higher Education Benon Miskiewicz received the Ambassador of the Islamic

Republic of Iran Abolfazl Rahnam Hazavei. Guidelines for implementing the program for cultural, scientific and scientific-technical exchange in the years 1987 and 1988 were discussed, with the emphasis on the development of direct cooperation between the universities of the two countries. Opportunities for training Iranian citizens in continuing education and doctoral programs at Polish schools were also reviewed. [Text] [Warsaw RZECZPOSPOLITA in Polish 4 Jun 87 p 2] 9761

CPSU CC LECTURERS VISIT--A group of lecturers of the CPSU CC sojourned in Poland within the framework of interparty cooperation between the PZPR and the CPSU. The group was led by a member of the Central Audit Commission of the CPSU, editor-in-chief of SOTSIALISTICHESKAIA INDUSTRIIA A. Baranov. During their stay, the Soviet visitors gave many lectures, mostly for the party aktiv of working class communities. The lectures were devoted to the current issues of restructuring the national economy in light of the resolutions of the 27th CPSU Congress and the initiatives of the USSR in the field of disarmament and international security. Deputy Chairman of the Ideological Department of PZPR CC A. Barcikowski met with the group of Soviet lecturers. [Text] [Warsaw TRYBUNA LUDU in Polish 5 Jun 87 p 2] 9761

POLONIA VISITORS IN POLAND--At the Polonia House in Warsaw, Deputy Chairman of the Council of State, Chairman of the Society for Liaison with Polonia Abroad Tadeusz W. Mlynoszak met representatives of the Polonia communities visiting at the invitation of the chairman of the society in conjunction with the Papal visit. The following attended the meeting: Jean Zarzecki and Andrzej Mitko (France), industrialists, Bronislaw Wegiel, owner of a Polonia travel agency (USA), John Reid-Weston (Canada), chairman of the Polish-Canadian Trade Promotion Association, Wladyslaw Janik, chairman of the Association of Poles ZGODA in the FRG, artists--pianist Eva Osinska-Mitko (France), sculptor Stefan Knapp (Great Britain) and singer Bobby Vinton. The need to further reinforce the bond between the Polonia and the motherland was discussed. [Text] [Warsaw RZECZPOSPOLITA in Polish 6 Jun 87 p 2] 9761

INTELLIGENTSIA 'DIALOGUE' AT PAN--A dialogue of intellectuals was held at the PAN [Polish Academy of Sciences] on the initiative of Deputy Chairman of the PAN Prof W. Markiewicz. Issues of the dangers to contemporary civilization and the ways to eliminate the obstacles hampering the socio-economic development of our country were the topic of the meeting. The following took part in the discussion: W. Markiewicz, R. Jarocki, A. Sicinski, A. Kloskowska, K. Szaniawski, T. M. Jaroszewski, K. Doktor, J. J. Wiatr, J. Baszkiewicz, M. Kozakiewicz, A. Grzegorzysk, S. Kwiatkowski, H. Samsonowicz, D. Tanalski, T. Pluzanski. The desire to continue meetings of this nature was expressed. [Text] [Warsaw RZECZPOSPOLITA in Polish 8 Jun 87 p 2] 9761

MLYNOSZAK IN USSR--Chairman of the CK SD [Central Committee of the Democratic Party], Deputy Chairman of the Council of State of the PRP Tadeusz Witold Mlynoszak is visiting the USSR at the invitation of the central authorities of Soviet cooperative organizations "Tsentrsoiuz." The goal of the visit is to share experience with "Tsentrsoiuz," to study the development of small-scale enterprises, operation of trade and service facilities and of enterprises affiliated with "Tsentrsoiuz." On Tuesday, T. W. Mlynoszak departed for Uzbekistan. He will review cooperatives serving urban populations in Samarkand and Tashkent. [Text] [Warsaw TRYBUNA LUDU in Polish 1 Jul 87 p 6] 9761

## BRIEFS

PROMOTION OF PEOPLE'S POLICE GENERALS--Berlin (ADN)--On the 42d anniversary of the founding of the German People's Police Erich Honecker, general secretary of the SED Central Committee, chairman of the GDR State Council, and chairman of the National Defense Council, promoted Lieutenant General Karl-Heinz Wagner to the rank of colonel general; and Major Generals Prof Dr Willi Hellmann, Friedhelm Rausch, and Gerhard Wittig to the rank of lieutenant general. He appointed Colonels of the People's Police Horst Hartrampf, Peter Mueller, Klaus Richter, and Dieter Schulze major generals. Present were Politburo members Egon Krenz, secretary of the Central Committee; Army General Erich Mielke, minister of state security; and Army General Friedrich Dickel. [Text] [East Berlin NEUES DEUTSCHLAND in German 1 Jul 87 p 1] /8309

CSO: 2300/347



## COOPERATION WITHIN CEMA AIRCRAFT INDUSTRY DISCUSSED

Warsaw SKRZYDLATA POLSKA in Polish 5 Jul 87 p 3

[Article by Boguslaw J. Witkowski: "New Forms of Cooperation"]

[Text] The time when the user of an airplane was satisfied simply to fly in it is, today, a thing of the past. Today an airplane is part of a larger system that performs a specialized function (for example, training, services, or defense). From this starting point, the Associated Producers of Aviation Equipment and Engines of the Polish Aviation Plants (PZL) is preparing designs for particular systems. For example, clients in agriculture and fruit growing, depending on their particular needs, will be offered an entire range of aviation equipment, including specialized agricultural airplanes with capacities of 0.7, 1.0, 1.5, and 2-3 tons and light helicopters (the W-4) and medium helicopters (the successor to the Mi-2). Given such a variety of aviation equipment, the users will be able to perform all types of work associated with sowing, fertilizing, liming, controlling pests and weeds, etc.

We must also take into account that the construction and production of a new airplane is an expensive undertaking which costs several billion zloty. Thus given our relatively limited domestic demand, broad international cooperation is essential not only in order to amortize the large investment but also to earn a profit. Under these circumstances, can the Polish aviation industry develop in the future?

In response to this question mgr eng Jan Stojanowicz, the director of the Associated Producers of Aviation Equipment and Engines, quickly says yes. To support his claim he mentions the new guidelines for development adopted at the CEMA session at the highest levels which established the CEMA countries' priority areas for economic development policy. Among them is civil aviation, especially air transport and economic services. By the year 2000 the entire civil aviation system will have been significantly reconstructed using a new generation of equipment, which will be developed and put into production in the 1990's. These activities will be included in the Comprehensive Program which is being developed by the Permanent Civil Aviation Commission of the CEMA, which is in its initial phase of preparation in the CEMA Industrial Bureau for the Development of Aircraft.



These are external conditions. But what about our domestic capability to undertake new tasks? We should first recall that the Polish aviation industry occupies a prominent position among the CEMA countries. It specializes in the production of light and agricultural equipment. About 80 percent of the output is earmarked for exports to the CEMA countries. We have a large technical and production capacity, which has been developed in a system of specialized final products covering the whole cycle: research, technology, production, sales.

However, considering the whole aviation industry we are not potentates. Thus, we require a constant infusion of technical knowledge over the whole range of needs, especially aerodynamics, materials engineering, special technologies, automation and computerization of work, and applications research. We also require access to new technologies, especially to new generations of machine tools, equipment, laboratory and measurement instruments, and funds for purchasing specialized equipment, etc.

The Polish aviation industry has significant technical accomplishments of its own which should be considered saleable goods. Until now there has been no active sales policy in this area. Polish computer programs, technological processes, research services, skilled specialists, models of technical innovations, patents, licenses, and complete services can and should be sold or exchanged on mutually beneficial terms.

This thesis of the Association of Polish Aviation Plants should be emphasized, for it is similar to the growing world trend among even the largest aviation manufacturers.

According to the new policy of the Polish aviation industry, scientific and technical cooperation should open the way for sales. The Soviet market is an example of one where the conclusion of beneficial long-term trade contracts must be preceded by scientific and technical cooperation with the appropriate institutes. In the other CEMA countries, similar principles are becoming common. Thus, we should initiate cooperation with our new partners in the research and development stage in order to make future beneficial trade contracts possible. We must conduct a long-term promotion policy that extends over a period of 15 to 20 years, i.e., covering the entire design and construction cycle. Scientific and technical cooperation with our new partners must be comprehensive, i.e., it should include the design of the remaining elements of the system. Such actions must be coordinated in time. A product that falls behind or gets ahead of the system cannot be sold.

There are many working groups in the CEMA that deal with multilateral international cooperation. This way of organizing cooperation has been intensified recently. It meets all the requirements for developing direct bilateral, horizontal cooperation at the level of the enterprise or the organizational unit.

The USSR is our chief partner in cooperation within the aviation industry and our largest sales market. In 1986 Polish exports of aviation equipment to the Soviet Union were about 350 million rubles. It is anticipated that in 1990

they will reach about 550 million rubles. However, in 1986 the values of imports of materials and components from the USSR were about 70 million rubles.

According to the intergovernment agreement between our two countries, new forms of cooperation are being created. The Mielec Transportation Equipment Plant of the Polish Aviation Plants has initiated direct cooperation with the Association of the Aviation Industry in Voronezh. It is anticipated that the following plants will also initiate cooperation: Hydral Wroclaw (the Power Hydraulic Works for Typical Elements of the Polish Aviation Plants) with the Equipment Production Association in Perm, the Kalisz Transportation Equipment Plant of the Polish Aviation Plants with the Engine Industry Association in Omsk, the Swidnik Transportation Equipment Plant of the Polish Aviation Plants with the Helicopter Production Association in Kazan, the Gdansk Bimet Slide Bearing Plant of the Polish Aviation Plants with the plants in Tambov.

Cooperation in aviation with Czechoslovakia is being renewed. Working groups of specialists have been formed for airframes (Mielec and Kunovice LET), engines (Rzeszow and Motorlet), aviation equipment and avionics (Warsaw II and Mesit Uherske Hradiste), hydraulic equipment and other fittings (Hydral Wroclaw and Technometra Prague). The details of the topics in scientific and technical cooperation and production cooperation for 1987-90 are being prepared. A proposed contract for direct cooperation between the leading enterprises in both countries is in preparation. It is worth adding that the Aviation Institute in Warsaw and the VZLU [Aviation Research and Testing Institute] in Prague are already cooperating.

An agreement with Rumania on scientific and technical cooperation for 1986-90 has already been signed, and a program of cooperation in aviation by both countries has already been developed. Among the areas of cooperation are mutual supplies of cooperative elements and materials, work on new training and agricultural aircraft, new materials and technologies, and mutual supplies of airplane and helicopter engines.

There is a proposed agreement with Yugoslavia on scientific and technical cooperation and production cooperation and on the range of direct bilateral cooperation. The Warsaw office of the Association of Aviation Plants [PZL] and the Belgrade Univerzal have agreed to a schedule for implementation. Hydral Wroclaw and the First Five-Year Plan Works in Belgrade have signed a protocol on scientific and technical cooperation, and the Warsaw II Transportation Equipment Plant of the Association of Aviation Plants and Teleoptik of Belgrade have initiated cooperation. Among the areas of cooperation are a new agricultural airplane, a new small helicopter, new materials and technologies, research in aerodynamics, fittings and hydraulics, and development of jet engines and flight simulators.

Recently, it became possible to initiate cooperation with China which had previously limited itself to trade relations through the Association of Aviation Plants in Warsaw. The PRC remains interested in supplies of some types of aviation equipment. Beginning production cooperation is also anticipated.

Some Polish plants are interested in cooperation with Western firms. For example, Hydral Wroclaw is interested in new generations of electronic circuits and aviation hydraulic units; the Rzeszow WSK [Transportation Equipment Plant] of the PZL is interested in continuing and broadening cooperation in the area of aviation engines with Pratt & Whitney of Canada.

The plants of the Polish aviation industry aim then to broaden their presence on markets in the second payments area using new generations of products that will be in mass production in several years. The unused productive capacity will be used chiefly for export-oriented production, for only production on a large scale is profitable, and it will determine the development of the entire Polish aviation industry. Exports, however, will go chiefly to the CEMA countries.

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## SHORTCOMINGS IN ACTIVITY OF YOUTH ORGANIZATIONS DEFINED

Tiiana ZERI I RINISE in Albanian 30 May 87 p 1

[Article: "The Monitoring Force of the Youth Organization Must Be Felt More Strongly in Every Field"]

[Text] The tasks that are assigned to our youth organization today are numerous and complex. They demand complete mobilization of its physical and mental skills and its involvement in the great problems of production, culture, defense and others. In addition, these tasks require that our youth organization be a great monitoring force. How should we understand this?

The Ninth Party Congress defined the guideposts of our economic and social development for the Eighth Five-Year Plan. These targets, which will be achieved through the efforts and sweat of our people, will increase the prosperity and strength of the country, will improve the people's well-being. The Third Plenum of the Party Central Committee specified the important tasks for satisfying the increasing needs of the people. As the most vigorous and active force of our society, our Youth Organization has the duty and honor to be the vanguard in the successful fulfillment of these objectives, it must lead the way in every work front with its progressive example, with its action and with its attacking spirit. And, our organizations are giving this progressive example. [This example is shown] in the construction of the Milot-Reshen-Klos railroad, in other national actions, in the olive-growing campaign and in agricultural and industrial activities. However, the work of our youth organization would have been insufficient and its role and mission partial if we limited ourselves to this.

Let us also be a great monitoring force. And, this presupposes complete assimilation of directives and tasks assigned by the party to the entire society in general and to our youth organizations in particular; it presupposes a comprehensive struggle and effort on the part of our youths in order to implement them, as well as a severe and constructive criticism and an incompatible attitude toward shortcomings and weaknesses that become obstacles.

Comrade Raulis Alia recommends: "Youths must not hesitate to rise against those who simplify the party directives, against those who waste their work and against those who do not march with the tempo that times require. Among



the youth, everyone must see a vigorous force that does not tolerate, that ask for reporting to the last one and that does not tolerate undesired phenomena, with negative manifestations, with weaknesses."

We must ask for the embodiment of Comrade Ramiz Alia's recommendation in all spheres of the life and activity of our youth organizations, where our youth work and militate. We must continuously expand and widen our monitoring force for the execution of the party directive, first for us then for others.

Let us take, for example, the olive-growing campaign. After the good and praiseworthy work that our youths are doing in general, the youth brigades and organizations of the areas that deal with olive growing must not cover up shortcomings, weaknesses, bureaucratic delays and the underestimating attitudes of some people who, as a matter of fact, hinder the work for fulfilling the targets that aim at doubling olive production. In Kruje and Burres districts, for example, the work method and management of the forums of the youth organization up to the youth committees in these districts, as well as some unit managers and executive committees, did not properly respond to the youths' impulse and mobilization in this action. Instead of the vigorous and concrete work with the people, with the youth, for a regular monitoring of the campaign's official papers, bureaucracy--have appeared in their work method. Such shortcomings are also observed in Shkoder, Lezhe, Tepelene and elsewhere. Why is it that our youth does not raise its voice with force against such manifestations and phenomena, when it knows that this open and direct criticism serves the work and the implementation of a project entrusted by the party, a courageous pledge that we have taken?

It is a fact that sometimes people close their eyes in the face of various shortcomings and weaknesses and keep a conciliatory and tolerant attitude that is not and should not be in the nature of our youths. We see that in some cases the plan tasks are not fulfilled and the youth organization does nothing. The work discipline is violated by some other people and again silence. And, common property is damaged, stolen, land misused, and public opinion does not act with the necessary force.

Some time ago we wrote about some cultural centers and houses which have activities without culture, or which stay closed, while the funds for the culture and entertainment of the youth are increasing. This is what happens to some economic units and production centers in Mat, Diber, Pogradec and other districts. And, in such cases, we run into the indifference and silence of the youth organizations, while the contrary should have happened.

But, those are not the tasks of the youth organizations, someone may say. However, there are production administrations, directors of units and enterprises and specialists who are responsible for the plans and their fulfillment, as well as for violations of discipline and for abuses. And, this is a fact. However, this does not rule out the great role which the youth organization should play in the struggle against such manifestations. An attitude which

is incompatible with these foreign and harmful manifestations, a severe struggle and open criticism are the expression of the militancy of our youth organization.

Our youth is progressive in its own revolutionary thinking and its uninterrupted action to fulfill the pledges and commitments it makes. Our youth is the example for progress; it must also be exemplary in its monitoring force so as to implement its tasks in the best way possible in order to be capable of fulfilling the mission entrusted by the party.

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## DETAILS ON PROSPECTIVE PERSONAL INCOME TAX, VALUE ADDED TAX

Budapest FIGYELO in Hungarian 14 May 87 pp 3-4

[Interview with Dr Mihaly Kupa, head of the Tax Reform Secretariat]

[Text] [Question] The personal income tax and the concomitant price and rent regulations will affect every adult Hungarian citizen. The provisional effective date of the tax reform--January 1, 1988--is not too far off. Considering the imminence of this target date, the population knows precious little about the plans.

[Answer] The usual Hungarian dilemma. What should the government present to the people: preliminary concepts, which do not, as yet, reflect a uniform government viewpoint, or a finished government concept about which the laymen will not have very much time to debate. There is no uniform viewpoint, so far, regarding all the details of the personal income tax; the only thing we know is that we must do all we can to make possible the 1988 introduction of the tax reform. True, the debaters are often not familiar with all the typical viewpoints in the questions they debate.

As far as public awareness is concerned, the matter is not really esoteric. Individual aspects of the tax reform are being debated in trade papers--the FIGYELO has already published arguments pro and con--though in many instances the debaters are not quite familiar with the viewpoints of the others, while laymen are not even completely clear about the debated issues. Nevertheless, I feel, one cannot say that "official circles", at least, are not in the know. About three hundred persons participate in the preliminary work--representatives of state administration and of interest groups, enterprise managers, members of parliament, and there are about three times as many who--even though not active participants--are quite familiar with the concepts. By the way, we have debated the issues in wider circles as well: in various committees of the Patriotic People's Front, in the National Council of Trade Unions, and we have reviewed them with the president of the council as well. Authorized by the Council of Ministers, we shall again debate the latest concepts in the same circles.

## Model Calculations

[Question] What is the real purpose of the introduction of the personal income tax? Articles from here and there put the emphasis on social, rather than on economic targets: accomplishments become more comparable, the market aspect becomes stronger, proprietorship increases. I imagine there must also be some more "economy-related" targets than these.

[Answer] The ones you mentioned are both social and economic aims, and since I am an economist, I consider it important that we devote more attention than before to the viewpoints of the latter. But indeed, there have been some more "economy-related" considerations as well. Some of them are identical with the one which justified the introduction of the general turnover tax--or as it is called these days, the added value tax. For example, the need for a more realistic valuation of enterprise costs and output. With the introduction of the personal income tax, labor moves closer to its realistic value--the enterprise pays gross wages--, and the "good" enterprise is nevertheless ahead of the game compared with that of today, because the 10 or 11 percent cost increase will be cheaper than the average 7 percent wage tax paid today on earnings. With the introduction of the personal income tax, purchasing-power regulation becomes more indirect. Whereas in the past, price increases and/or price subsidies represented the principal--and let's be candid, drastic--means to accomplish this, under the new system we will use primarily the rates of the general turnover tax (which is expected to remain unchanged in the long run) and the income segments and personal-income-tax rates to maintain the equilibrium between supply and demand. I must note that this is a better way to adjust to the purpose of purchasing-power regulation, by taking away from him who has excess income. The general turnover tax to be introduced simultaneously with the personal income tax will also affect the way income will be spent: it will make it easier to discern the relationship between cost of production and consumer prices, and will, to a certain extent, change the system of supply and demand.

If this is complemented by a good monetary policy, I believe we will not have to worry that purchasing power will "run away" with us. Both the personal income tax and the general turnover tax will be sector-neutral and will leave no room for individual intervention. With its introduction, enterprise management will become perspicuous, and economic and socio-political tasks, unlike at present, will not become confused. Our goals have been a more equitable system of taxation and the consolidated taxation of incomes stemming from various sources; but our goals were not to deprive the population of more than heretofore, nor to cut any pensions or social services. I should like to note that even now an increasing proportion of the population is paying its taxes on income from economic work collectives, intellectual activity, etc. On the other hand and in the final analysis it is always the people who pay for everything, only not necessarily from their incomes, but via enterprise taxation.

[Question] How far are you in your work? What is more or less for certain?

[Answer] We posed the following requirements as far as tax reform is concerned: let the producer prices come down, and let the normative diversion



be structured in between the consumer price and the producer price, and do away with all unjustified and untenable subsidies. Corresponding people's economy model calculations have been drawn up. That segment of the work in which we sought answers to the questions as to how the positions of the individual branches and sections will fare under the new system, and what effect the tax reform will have on the enterprises, was completed by the end of April. Simultaneously we also studied the modalities of accomplishing wage grossing and/or producer price readjustment. Furthermore, we tried to assess what the introduction of price changes and of the personal income tax will mean for the various strata of the population. Meanwhile we are also working on the actual rates and income segments of the taxes to be imposed. In this connection I cannot say anything concrete at this point, just that the anticipated effects do not seem intolerable. The direction and extent of the changes at the level of the enterprises and the population is a matter of economic policy decisions.

#### Segments and Rates

[Question] So far this sounds rather dodonaean. Wouldn't you like to say something more concrete about these ultimate-effect surveys? For example, are there already some clues regarding income segments and tax rates?

[Answer] Until the complete system has not coalesced, I cannot help answering the question any differently, since for example the extent of tax deductions may change everything. The way we see it at the moment, the highest non-taxable yearly income would be 48,000 forints. Between 48 and 66 thousand forints the tax rate will be 20 percent, between 66 and 90 thousand forints 25 percent, and increasing by 5 points per income segment, at an income of 600,000 forints it would reach the ceiling, i.e., the tax rate of 60 percent. Any given tax rate refers always to a given income segment rather than the total income. So that in the case of a 650,000 forints yearly income, only the "top" 50,000 forints is taxed at 60 percent. Beside the personal income tax, employees must pay a linear pension contribution. This system with wage grossing--disregarding the effect of price changes--according to our studies would, in the year of change, neither diminish nor raise the standard of living of those who live exclusively on their income earned in the socialist sector. Therefore, the income disadvantages of those who live solely on their earnings, of the beginning technicians will decrease. We return to the people the tax revenue surplus accruing from income consolidations, and we intend to improve the lot of families with children.

[Question] I believe some of the starting data need elucidation. Why did they pick a yearly income of 48,000 forints as the top figure for tax exemption? Why is 600,000 forints the ceiling? Why did they opt for the personal income tax instead of a family income tax, if it was obvious that the number of dependents had to be incorporated somehow into the system? What do they mean in numbers by the much talked about more equitable tax burden assumption and desirable differentiation?

[Answer] Under this system, the valuation of labor is the task of the market, the tax system is "neutral" in that respect. Hence it does not evaluate whether a person is employed by a low-efficiency enterprise or a flourishing

one. This circumstance must reflect in the persons' income. There is no reason, then, why in production, where the primary division takes place, not a more production-dependent differentiation of incomes should evolve which, in the spirit of more equitable tax burden assumption, we tax proportionately.

But I do not want to avoid the original question: the extent of the tax exempt amount and of progressivity are the basic problems of every tax system. Our purpose was to make sure that the monies accruing to the treasury would not diminish, and that the taxes, which had in the past been collected from production, would henceforth be derived from consumption/turnover. We are also aware of the fact that the amount which we will set as the highest possible non-taxable income, will sooner or later be considered a minimum wage or marginal subsistence level. Considering these two assumptions, we could not draw the tax-exempt line in the "neighborhood" of today's average wages. For that, on the one hand, we would have had to apply too steep a progression, and on the other hand, it would have created ungrantable demands, e.g., for increased pensions.

[Question] How do you reconcile the planned 12,000-forint employee tax benefit or exemption with the logic of the foregoing?

[Answer] This is not an exemption, rather a cost accounting allowance, which is also used in international practice and in the international average amounts to 5 percent of the average income. We do not make this allowance subject to an accounting, but prefer to grant it as a fixed amount--more or less in the form of a lump sum.

What is unusual is that this sum may be deducted from the "top", which is designed to minimize the output-retardant effect of the income segment progression. If one moves from one income segment into another, he can deduct 12,000 forints from his peak income and pay his taxes on the balance. This amount may be deducted from income also by persons earning extra money in addition to their pension, and it may be deducted from [illegible]--so that the lower limit of taxable income increases thereby to 60,000 forints. Employee tax benefits are reserved for those whose earnings are brought to the attention of the tax authorities not by the return, but by official records. Such incomes are favored by every tax system.

[Question] Entrepreneurs cannot enjoy the same benefits. Why?

[Answer] Because they may deduct expenses germane to their occupation. By the way, 12,000 forints for a serious entrepreneur is small change.

#### Entrepreneurial Tax

[Question] I understand that business federations have questioned the need for an entrepreneurial tax, being that we claim that we want to foment entrepreneurial risk taking.

[Answer] Yes, but the business federations seem to forget that the rates of today's tax system are quite progressive, for example on a yearly income of 500,000 forints the tax liability today, linearly, that is on the total

amount, is 70 percent. Under the new system, on the other hand, the tax rate on an income exceeding 600,000 forints is 60 percent. This is not a bad situation even with an entrepreneurial tax. Furthermore, the entrepreneurial tax replaces today's corporation tax, and even though there are great pressures aimed at having its extent match that of the enterprise profit tax, it would, in my opinion, be wrong exactly because of the risks the entrepreneur takes by investing his capital.

[Question] But what is the theoretical basis of an entrepreneurial tax, no matter how large?

[Answer] There are two extreme theories in connection with entrepreneurial income. According to one, the entrepreneur's income is personal income and it does not contain profit. According to the other, the entrepreneur generates only profit, and no personal income. The truth lies somewhere in between, the entrepreneur invests a part of his income and consumes the rest. He pays an entrepreneurial tax on his total income--thus on his investments as well--, and on what he withdraws as income, he must also pay a personal income tax. If the former tax is lesser than the latter, that will stimulate the entrepreneur to invest.

[Question] If later on, the entrepreneur nonetheless uses the profits earned on his capital investment for his own consumption, is he taxed again?

[Answer] Yes, if he consumes the profit on his capital investment, he pays personal income tax, but if he reinvests it in the business, then it is tax exempt. It also offers an opportunity for entrepreneurial tax preferences and for the taking into consideration of the nature of the enterprise. For example, depending on the purpose of the investment, the entrepreneurial tax can also be lowered. The risk can also be measured more accurately by means of the tax. By the way, the entrepreneurial tax will not be very high; according to our plans on an investment of 100,000 forints it will be a small lump sum, and in the case of an income exceeding 100,000 forints, 20 or 25 percent of the total amount. That is about 20 percentage points less than the enterprise profit tax.

[Question] They say the tax reform will put an end to the gross income regulation for small cooperatives. That would adversely affect entrepreneurship. Does such a plan really exist? Aren't they worried about the dire consequences?

[Answer] The tax reform--according to plan--will place profit in the center of interest and taxation in every area of the economy, and that will be the case with agriculture as well as with small cooperatives. I don't understand why this should put a brake on entrepreneurship. Personal income tax obviates regulation on a gross--wage + profit--basis, and separates profits from income earned by labor. The success of an enterprise depends on how profitable or unprofitable it may be. And that is a rule that is not valid for every "type".

What Will it Stimulate?

[Question] What will the personal income tax favor and to what extent?

[Answer] Innovation--inventions, novelties, patents--intellectual creativity, including artistic creations. The latter mainly because of the inadequate royalty system, which should definitely be amended. Furthermore, it will foment the paying house guest industry and, in a yet to be determined manner, the home building industry. The extent of such tax benefits and the tax-exempt proportion of the profits is still a subject of debate. It is evident that we must seek out the sources of the tax benefits. Too many benefits would be sociologically unjust, and on the other hand they would increase tax diversion.

[Question] Will the personal income tax stimulate capital investment?

[Answer] This question must be considered from various angles. On the one hand, it is in our best interest to stimulate savings. On the other hand, we must handle on the basis of uniform principles both direct capital investment in the case of enterprises, and indirect capital investment--savings--in the case of the people. And lastly, it is unacceptable to subject wage earnings to general taxation, and leave profits on capital investment out of the system. Today we tax the returns on capital investment, but not the securities and the savings accounts. This must be integrated, but it cannot be done without further modernization of the banking system. But if the banks get permission to engage in transaction with the public too, then this distinction can not be maintained. Because then the enterprise will wind up in a disadvantageous position: it will invest taxed money and we will even tax the monies it earns on it. In the long run, it would seem, one cannot favor the passive interest earner over the capital investor. That is why we visualize the imposition of a linear source tax, separate from the personal income tax system, on stocks, on savings-account interests, on the dividends of securities such as notes, bonds or debentures. We can proceed to this taxation after we "gross up" the savings-account interests correspondingly and up to a predetermined limit, and after we lift the present interest limit for stocks and bonds. This question is still being debated, but I must emphasize that any citizens' bonds issued prior to the effective date of the new system as well as interests earned on them will, until maturity, be tax exempt.

[Question] It would seem that under the new system it will not be as worth while as before to earn money by overtime work. Partly because of consolidation, and partly because not every type of such income will be grossed.

[Answer] The grossing of the wages of the socialist sector means, on the one hand, that in the interest of keeping net straight-time earnings constant, we build the tax due into the wages and, on the other hand, that the gross incomes of the first sector will approximate the gross incomes of the second sector--e.g. those of the enterprise workers' work association. It goes without saying that under the new system there will be keener bargaining between principal and contractor. The will pay him the least to take on the extra job if his income from his main occupation is higher. But this, too,



will mean a change only at the time of the change-over to the new system. In the future people will try to optimize their gross income on the basis of their net income and/or the augmentation of it. This can create a wage controversy in the enterprises, and may possibly result in work-place and organizational form changes.

[Question] When they put into effect the earnings-level regulation, they said it was the forerunner of the personal income tax. Will then the earnings regulation cease?

[Answer] The wage payer was the "source" of the personal income tax already at its introduction in '85. On the other hand, the earnings-level regulation plays, indeed, the same role at the enterprise level as the personal income tax at the personal level. But it is not only the earnings-level regulation that is effective; there are many other modalities to regulate earnings. We will change these fundamentally, but we will probably not be able to eliminate them in one fell swoop. Such a step would probably involve too high a risk of purchasing-power erosion. The way we visualize it, in place of the present earnings regulation we would introduce an interest-reconciliatory wage regulation. One cannot, and must not, regulate incomes. The government would agree with the union as to the highest allowable gross wage increase and possibly also as to where it might be useful to permit an above-average wage increase. According to one plan, there is even a chance for further differentiation in the ratio of output indicators. This agreement would then be "dismantled" by the enterprises based on agreements with the unions and the chamber of commerce. This system would differ fundamentally from the present one: the limitation on pay-outs would not be the tax commensurate with the taxpayer's ability to pay, but primarily the sanctions painfully affecting the leader's--and the collective's--income. The leader's interest will be primarily tied in with the profit increase of the enterprise. For the purposes of this system, the business federations will have to undergo certain changes, for example we would have to strengthen the professional business federations.

#### Property Reporting

[Question] Word has it that at tax return time we will have to report not only the income, but also any and all accrued property.

[Answer] The income tax can be effectively collected along with the property tax, since the tax authorities are often unable to "reach" incomes that have become transmogrified into property. We refrain, nevertheless, from introducing a property tax on top of an income tax. On the other hand, we plan on requiring, beside the income reporting, upon introduction and subsequently every 3-5 years, also a property reporting, so as to be able to compare incomes with property situations.

[Question] It seems trivial, but it will probably be important to many people: will it be necessary to send along with the return a statement regarding the circumstances of property acquisition?

[Answer] No. But if the return is audited and if need be, then of course an accounting will have to be rendered regarding the income forming the source of

the property acquired. This, by the way, is the same as under the present system.

[Question] Earlier it was rumored that the impending personal income tax system will also levy a tax on invisible incomes. Is anything like that really being planned?

[Answer] Yes. In every trade category, where private parties can be customers or where income can be generated from them, a tax return must be filed. I believe we will have society's support when we take that step. But we must not forget that in the missing areas services may cease if we tax the invisible incomes. Obviously, there might be a need for wage corrections too, because of minimum wages that are set too low. But in order for us to settle that problem, we must find support among the business federations of the various trades.

[Question] Will the viewpoints of social policy be incorporated into the tax system?

[Answer] On the one hand, the introduction of the personal income tax will afford an opportunity to better separate the aims of social policy from those of economic policy within our system of ways and means. On the other hand, recognition of our citizens' actual income situation will offer a more reliable basis for getting the ways-and-means system of social policy function more effectively than it is at the present time. Regarding your question: if we were to build into the tax system the system of today's social policy (which is atomized and considers different social "indicators" for different segments), then we would inevitably initiate an undesirable income regrouping. A fact which supports this tenet is that a socio-political tax break can only be given a tax payer, with the result that in actuality the most needy strata of the population would be left out of the system. That is why--because of the different functions of taxes and social policy--it doesn't seem advisable to "mix" social policy and taxation. But this, too, is an issue subject to debate.

[Question] They say that under the Hungarian personal income tax system one will not be permitted to deduct from one's taxable income expenses such as fees for participation in meetings and work shops, because that would complicate the filing of the tax return and its auditing. Does this mean that it will be easy to fill out the tax return form?

[Answer] As mentioned before, we do not wish--except in the case of entrepreneurs--to insist on concrete expense accounting. I believe that the yearly tax-exempt amount and the wage-earner's break may be construed as a substitute for expense accounting, and it is not a small amount either. The tax system favors charitable contributions and endowments. The tax return form will, indeed, be simple and only those will have to file regularly who have extra incomes earned from private parties; for the rest, the employer will report to the tax authorities.

[Question] Many people seem to doubt that the unfinished business of preparing the complex tax reform can be completed by the fall meeting of the

parliamentary debate, and that the preparations for its introduction can be accomplished within the subsequent three to four months. They suggest, therefore, that we do not try to do it all in one fell swoop. What do you thin?

[Answer] We would be wrong not to do it in one fell swoop. If we were to introduce only the general turnover tax, the regrouping of production incomes would be too little. And we cannot leave 50 billion forints for the purpose of personal-income-tax grossing in enterprise incomes, because then there is no tax reform, taxation cannot be diminished, and the present system of income regulation cannot be discontinued. But we cannot collect it in any other way either, unless via consumer prices, but that is something we'd prefer to avoid. And, finally, I cannot see why we should "upset" the economic system and people's lives twice. By the way, preparatory work did not start yesterday; it has been under way these past eighteen months.

12759

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## NEED FOR CHANGES IN AGRICULTURAL ACTIVITY DISCUSSED

Budapest FIGYELO in Hungarian No 21, 21 May 87 p 8

[Article by Aladar Sipos and Peter Halmi: "With Greater Sensitivity"--  
"Conditions for a Market Oriented Agriculture"]

[Text] Next to the spectacular early successes, the difficulties of agrarian development are becoming more and more visible. Multiple sectors, entrepreneurial possibilities and greater incentives, in comparison with other branches, played an important role in producing the outstanding results which were approaching international standards in certain branches. The industrial type development, one sided in many respects, proved to be a rapid but costly road toward modernization. Therefore, changes are needed also in agrarian policy.

Although, beginning with the end of the 1970's, the agricultural enterprises have greatly improved their effectiveness, this improvement does not show up in the achieved income because of the widened price gaps. Deterioration of the latter appears in the form of a lowered real value of enterprise incomes, an increasing disparity among individual incomes and an increased need for export subsidies.

## Forced Growth

The possibilities for increasing agricultural production are diminishing. A considerable expansion of the domestic market--which would be based primarily on demand for quality, that is an increase in more costly products--can occur only in the case of a massive increase in real incomes. This, however, is improbable within the foreseeable future. It follows then that the possibilities of growth are limited to the foreign market possibilities.

However, demand for agricultural products decreased on the foreign markets and prices dropped considerably. Thus, the comparative advantages of agriculture were significantly reduced, or disappeared. In order to recapture the amount of foreign exchange lost because of the drop in prices, economic policy was forced to push the amount of exports, often at the expense of economic efficiency. At the same time, a one-sided specialization on mass products results in a rigid structure, it limits the possibilities of adaptation, in other words, it increases a unilateral dependence on foreign markets.



If the reasonableness of export is judged merely on the basis of exportable food products and the ratio of raw materials obtainable in exchange, then the results of such calculations also reflect the goals of the production policy. In such cases, economic success can only be measured in terms of the production of previously determined volume of natural products, for instance meat or grain.

#### Adapting to Demands

In contrast, another possible approach starts with the premise that--in addition to satisfying domestic demands--it is primarily the income producing capacity of food production that must be improved; this cannot be achieved without considerable structural changes and a flexible adaptation to the market.

Special products of outstanding quality, the non-basic food products, can be sold on hard-to-please markets at prices reflecting the costs of modern production, transport and marketing. The traditions of Hungarian agriculture and, furthermore, the possibilities provided by the marketing of basic biological products--seed grains, food extenders and breeding animals--would be exploited better than at the present time.

The trading of these goods and the character of the advantages derived from it are similar to that derived from products of the manufacturing industry. An increasing part of the exportable food surplus should be made up of these goods, and the composition, quality, packaging and degree of processing of the goods offered should also be regulated in tune with market demands.

This requires a change in agrarian policy and, here also, market orientation should be stressed in order to improve competitiveness. Excessive market regulation and factors impeding the evolution of entrepreneurial skills had disadvantageous consequences also in agriculture:

The disparity of agricultural prices relative to industrial production prices was retained. Therefore, price mechanism plays a more moderate role in the regulation of production than it would be possible and desirable. Part of the costs of even the best managers is covered by subsidies. The low profit yield of prices narrows the possibilities of differentiation according to quality. In shaping the production structure, changes in the subsidy system rather than the market came into the foreground. Wasting the soil is characteristic, also because of the absence of its adequate valuation.

#### Polarized Structure

The institutional conditions for market adaptation are limited. The industrialization of agriculture through central programs--with its decisive technological modernization--limited the possibility for enterprises (cooperatives) to select technologies adaptable to their individual circumstances. The supply of implements of production is still not sufficiently geared to the differentiated demands and this often causes decisions by the enterprises to be reached along a constrained path.

The optimal production structure of an increasingly modernized agriculture can only be developed by an economically rational combination of the production factors--the soil, the labor force and the capital--present at the individual organizations; this should also include the partial withdrawal of one or another of the factors from agricultural production should this be to the advantage of the enterprise. Although measures were taken to increase the flow of capital, the limits on obtaining capital, the absence of soil turnover and the forcing of soil utilization through administrative means limits the adaptation possibilities of the producers. The income regulation, segregated from the management of other cost elements, prevented the selection of a proper combination of machine and human labor, that is, it wastes material and capital.

The operating structure is polarized. Certain large enterprises are engaged in capital intensive management on very large bodies of soil while the overly labor intensive small enterprises have very limited possibilities for development, and for obtaining soil and capital. Even the successful small producer can respond only to a limited extent to changes in market demand. An integration of the household plot and the large enterprise or, from the other side, the evolution of entrepreneurial projects within the large enterprise can alleviate somewhat the deficits of this structure.

#### Functional Disturbances

Because of the hyperpersonalization of cooperative property, employee position and the hierarchic work organization are dominant, and the membership decisively concentrates its efforts on improving its own situation with respect to income and performance.

The hierarchic dependence of the enterprises has remained; there is strong interference with the daily management of the enterprises on the part of external, characteristically local and regional organs--generally coordinated with each other. Ownership is indeed divided between the agricultural enterprises and the state guidance system irrespective of the form of ownership.

The market relations became twisted. Subsequent to the announcement of the reform, the monopolistic or oligopolistic structures of the associated organizations were retained also in purchasing and marketing. A more substantial change in this respect occurred only in the early 1980's; however, there is an decisive change in the quality of the relationships.

The deployment of the means of production, in the past, meant a de facto distribution. That is, a real market for the means of production did not develop or developed only in a rudimentary fashion. An agricultural enterprise is generally not threatened by a marketing crisis, but marketing difficulties occur regularly. To deflect these, an effective system of market intervention was not developed.

A solution to the above mentioned functional disturbances cannot be achieved without sweeping changes. This does not mean that smaller correctional steps would be out of order. Nevertheless, we can state with assurance that the

institutional requirements for a market oriented agriculture can be achieved only through the consistent furtherance of the reform process. In the following, we shall characterize the main direction of the desired changes.

An institutional build up of enterprise autonomy is indispensable. In addition to a considerable reduction of the constraints on the agricultural organizations, a constitutional affirmation of their independence is also indispensable. There must be a clear separation between the functions of the state administration and of the enterprises. Conditions must be created where the enterprises, weighing the alternative costs, would make income oriented investments or, in the absence of such possibilities, they would develop an inclination toward savings.

Institutionalized stimulation of effective management with fixed resources and the accumulation of wealth are necessary. In small cooperatives which function without a hierarchy and on the basis of divisible ownership, an interest in asset ownership can arise almost automatically; such possibilities must also be provided in agriculture. The enterprisal autonomy of agricultural cooperative membership groups also offers possibilities for evolving new forms of asset relationships. The issuance of negotiable and transferable shares is conceivable and the possibility of increasing the weight of member assets arises.

A further condition is the deliberate building of markets and an expansion of the number of marketing channels. Using economic and legal means, a stand should be taken to put an end to monopolies and to enterprisal supply responsibilities.

The condition for decreasing price disparities and budgetary redistribution, that is, for increasing the orienting role of prices is that, simultaneously with the institution of general tax reform, a price and wage reform is to be introduced as a consequence of which earnings could cover all of the expenses associated with the production and marketing of the purchased foodstuff while the prices would cover the marginal costs of the manufacture of products needed to satisfy domestic market demands and the land tax. In the case of such marginal prices, the rentability of food industrial exports competing with the processing industrial export, or the alternative costs of replacing the eliminated export, could be unequivocally evaluated. Through monetarization of the economy--including the setting of realistic market prices--a gradual liberalization of the import of means of production of industrial origin and thereby also the limitation of supply costs could become possible.

#### Flexible Rules

With the moderation of price disparity, the weight of land taxes could be increased. The role of supports could cease whereby a part of the costs of even the best agricultural producers is covered by supports instead of prices. With the help of a continuation of the support system, a more flexible adaptation of the agricultural production, its modernization, the better functioning of vertical connections, furthermore, melioration and the realization of environmental goals could be promoted.

In the framework of producing a more differentiated agricultural enterprise structure, the following should be promoted: the emergence of flexible small organizations that also possess capital and land; in addition to newly formed enterprises, the increased independence of certain sections of the currently existing enterprises or their looser association, for example, a leasing system. A further possibility would be to develop additional viable organizations from the market-oriented small enterprises through their merger or cooperative association.

It is important that the legal conditions for enterprisal division or separation become simpler and truly realistic. On the other hand, the large organizations could lend themselves to the development of a cooperative enterprisal form (property center), a chain of enterprises differentiated from within and simultaneously promoting new ventures. This could also provide the possibility for enterprises organized outside of the cooperative to become integrated into the property and membership system of the cooperative.

The roadblocks to the development of professional cooperatives should be removed and a more organic integration of small production into agriculture would be needed. In addition to supporting the supplementary enterprises, the development of dynamic units into small enterprises, producing exclusively for the market, should be made possible more than before.

It is obvious that some of the enterprises will not be able to keep up with the increased demands for effectiveness. An economic policy decision must determine the rate at which effectiveness requirements can be raised without being accompanied by a greater than desirable loss of production.

2473

CSO: 2500/375



## DETERIORATING ECONOMIC SITUATION OF AGRICULTURAL COOPERATIVES

Budapest FIGYELO in Hungarian 30 Apr 87 p 8

[Article by Jozsef Huszar: "Balance Sheet Cosmetics"]

[Text] Last year 124 out of 1260 agricultural cooperatives operated in the red, and in an additional 330 the profits shown in the balance sheet remained under 5 million forints. These two groups of enterprises make up 36 percent of all agricultural cooperatives and the cash reserves of these enterprises are minimal.

As a result of uneven economic development among agricultural cooperatives, there is much differentiation. Unfortunately, there is a hard core of cooperatives in which--though not year after year--operating in the red and government bail-out have become frequent.

#### It Is Not Taken Seriously

Alas, the experiences of the past few years prove that the above-mentioned enterprises find themselves in a steadily deteriorating economic situation, because in cooperatives with a negative profit picture for 1986 the amount of loss two years earlier was around 400 million forints, but enterprises belonging to this group still managed to eke out a profit of 360 million forints. On the other hand, not only did this small profit margin disappear in the course of two years, but total losses actually trebled. The other 330 enterprises in the danger zone had registered 1.9 billion forints in profits for 1984, but by 1986 they eroded to 750 million forints.

The new financial reorganization system, based on uniform principles that were introduced in 1986, superseded the old bail-out practices for the cooperatives as well. The new feature of this latest financial reorganization program is that each farming unit must regain its liquidity on its own, and it is more advantageous for the creditors, too, if they, of their own free will, grant the debtor cooperative (enterprise), some initial breathing space rather than forcing instantaneous financial reorganization or, failing that, liquidation.

In spite of the fact that the new financial reorganization system has been in force for only a few months, we already have certain experiences regarding the way it functions.

It seems characteristic in general that neither the creditors nor the debtor cooperatives take the possibility of a prior settlement procedure seriously. For example, creditors often fail to vest in their representatives sufficient authority by which--considering the other creditors' interests as well--they might endeavor to reach a settlement. At the present time, every creditor still insists on collecting every penny of his credit balance. In such cases, the internal revenue, representing the state, cannot allow any reductions either, not to mention the banks, because relief from indebtedness is possible only on the basis of a proportionate settlement.

### The Critical Point

Today everybody is still waiting for a bail-out by the state, believing that under a state-sponsored financial reorganization the debtor cooperative can have access to some aid or credit by the state, and can pay off its debts. In general, it is the banks's desire--regardless of whether it was they or others who initiated the bankruptcy procedure--that the competent state authorities assume the guarantee and make the bankrupt cooperative liquid once more.

One of the critical points in the operation of this system is the determination of a given cooperative's (enterprise's) insolvency and, mainly, the extent of the same. The situation is relatively simple if insolvency is to be declared around the time of the end of the fiscal period. On such occasions the balance sheet can be the basis for value judgements.

The situation is much more involved if the farm becomes insolvent during the fiscal period. In such a case liquidity must be determined on the basis of the creditor banks' value judgement--or of other enterprise creditors' proposals. Financial revisions can also play sudden havoc with liquidity, if the cooperative is found to owe large amounts in back taxes and consequent penalties.

The problem becomes even more complicated if some of the enterprises manage, in the long run, to reestablish liquidity. If the agricultural undertaking can be financially balanced by the use of loans or, on occasion, by the sale of a part of the cooperative's assets, then a settlement with the creditors becomes redundant, and a preliminary meeting with the principal creditors will accomplish the desired results.

### Spurious Results

The big dilemma of the cooperative's management is just when to notify its members of the danger of impending insolvency. Unfortunately, today's leaders of cooperatives have a vested interest in delaying this as far as possible, whereas the probability of remedying the troubles is much greater at an earlier, rather than at a later stage of the game. Instead, the practice these

days in the case of some cooperatives--taking advantage of various accounting maneuvers--is to paint an economic picture considerably rosier than the actual situation.

For example, the cooperatives have, for years, been showing in their balance sheets a 10 billion forint accounts-receivable surplus in their receivables. This means that more than one half of the approximately 17 billion forints worth of profits is unearned income which, at the end of the fiscal period, is not available.

The lower a given cooperative's operational results, the greater the above-mentioned surplus. Thus, in the group with profits ranging from 0 to 1 million forints, in nearly 100 enterprises the accounts-receivable surplus is 7.5 times greater than the profits indicated in the balance sheet. Obviously, these enterprises balance their books with large amounts of uncollectible receivables.

The bail-out system poses several problems for those engaged in representing the cooperatives. Are the territorial alliances able to induce the cooperatives to submit, at an early date, to a prior settlement procedure, disclosing their actual operational possibilities and financial situations, including their entire deficit--unadulterated by uncollectible receivables? Of course, this would have to be done not only at the point of bankruptcy, but much earlier, when the economic problems could still be aired openly and sincerely at the community forums of the cooperatives.

#### Possibilities On Paper

Not counting the drought-stricken cooperatives, by the middle of April, 1987, there have been 90 settlement procedures. Up to this moment, it has been possible in the case of only two cooperatives to avoid bankruptcy, on the basis of an agreement with the creditors.

In the case of bankrupt agricultural cooperatives the general problem, unfortunately, has been the fact that up until the time that an affirmative or negative decision is reached regarding the bail-out, many cooperatives are unable to cover their most basic expenses, such as fuel, fodder, and workers' wages. Consequently, many a potential supplier has refused to extend credit facilities, or was willing to cover the cooperative's orders on a cash basis only.

All this is happening in spite of the fact that high-level rulings make it possible for the farms affected to obtain, if need be, as early as in the course of the prior settlement procedure, free and mutually committing allowances and credits, as well as sureties and other guarantees. This option, however, has so far not been available in practice. Yet, temporary maintenance and control of the productivity of a large agricultural operation is in the best interest not only of the cooperative and its members, but also of the creditors and the people's economy.

12759

CSO: 2500/355

## NEW REGULATIONS TO EASE DIRECT COOPERATION WITH USSR

Warsaw RZECZPOSPOLITA in Polish 23 Jun 87 p 7

[Unattributed report: "Fewer Formalities--Greater Efficiency: Enterprise Direct Cooperation"]

[Text] (From our own correspondent, T.B.) On 12 June 1987, the Government Presidium issued a resolution on the agreement between the government of Poland and the government of the USSR on direct production and scientific and technical cooperation between enterprises and organizations of Poland and the USSR signed in Warsaw on 15 October 1986. The resolution envisions numerous simplifications for enterprises conducting direct cooperation. These were discussed at a press conference at the Ministry of Foreign Trade on 22 June.

Zdzislaw Kurowski, government plenipotentiary for direct cooperation and common enterprises and undersecretary of state in the Ministry of Foreign Trade, stated that the fundamental goal should be improved economic efficiency. Not propaganda but measurable economic performance is the point. The opportunity to improve the supply of raw materials and materials for our industry in this way is another essential factor.

Minister Z. Kurowski agreed with the view that in the past the selection of partners for direct cooperation was too centralized. Today under the economic reform in both countries, only economic considerations should decide. In some cases it has been necessary to change the partners previously assigned from above, and in other cases it is necessary to find them. An efficient information system is especially needed. The Polish Chamber of Foreign Trade has already begun to create an information bank on partners. It turns out that basically we know little about one another.

The regulations on the principles for goods turn over between enterprises in direct cooperation in Poland and the USSR assume the right to conduct export-import operations can be obtained in a simplified manner. In the case of enterprises not interested in obtaining a concession, exchange with their Soviet partner is possible through non-commercial goods turnover, with complete exemption from duties and the obligation to obtain import and export permits for the goods. This applies, however, only to situations in which small quantities of goods are exchanged between the enterprises. In the case of continuing exchanges (for example, for production cooperation), the general



principles of foreign trade, and in particular the setting of prices in transfer rubles, apply.

The complete text of the Government Presidium's resolution with attachments was published in the 19 June 1987 issue of RYNKI ZAGRANICZNE.

13021

CS0: 2600/718

## BAKA DESCRIBES PLANNED REFORMS IN BANKING SYSTEM

Warsaw PRZEGLAD TYGODNIOWY in Polish No 24, 14 Jun 87 pp 4-5

[Interview with Professor Wladyslaw Baka, chairman of the Narodowy Bank of Poland, by Piotr Aleksandrowicz: "The Power of Money"]

[Question] In your opinion, what do banks mean to the average Pole?

[Answer] I think that to an overwhelming majority of the public they are an unknown quantity or associated solely with counting and paying money. The strength of stereotypes may be demonstrated by the fact that during a May Day parade all that a speaker had to say to the employees of the NBP [Narodowy Bank Polski] was that we should count money properly. This is a symptom. It also is indubitable that the banking system itself in Poland is underdeveloped.

[Question] Why?

[Answer] Banking activities after the war were treated as ranking at the bottom in the hierarchy of economic services and social needs. Their role in shaping economic life was underestimated. In highly developed countries the share of banking in economic life is incommensurately greater and explicitly tends to grow in importance. In this country no conclusions have been drawn from this correlation. And yet, it is the banking system that paves the road for an efficient utilization of resources and shapes new economic structures.

[Question] It is not surprising that people regard the NBP as a kind of cashier's office, since in this country banks are not real banks.

[Answer] Yes. Likewise, the prestige of banks and bank employees has been very low. When I came to the NBP, I learned of the existence of an unwritten rule to the effect that the salary rates for bank employees should be at least 2 points below those paid to state-administration employees.

[Question] Do you think that, at various levels in this country, the cult of material production still persists? Since bank personnel manufacture no material goods, they are dispensable....

[Answer] Indeed, such a primitive interpretation of economic phenomena still persists. Since, however, ours is a planned economy, we can't afford to wait until a change in awareness take place but must even now rapidly establish a modern banking system.

[Question] Which previously, under the plan, we did not want?

[Answer] Unfortunately yes.

[Question] Rule by banks, such as is presaged by our reform, is not too popular throughout the world.

[Answer] I know, but in the final analysis banks operate in the interest of the society, and the road to rule by banks in Poland is still distant.

[Question] Let us then consider the near future. One element of the banking reform is the separation of the PKO [Polish Savings Bank] into an institution independent of the NBP. What would be its benefits to the average citizen?

[Answer] It would be an illusion to believe that basic changes ensuing from the very fact of the detachment of the PKO would ensue immediately.

[Question] Meaning that this would be only a seeming reform?

[Answer] No, an integral reform. If the status of the NBP is to become that of a central bank, the PKO must become a separate bank. We desire to combine this change, this being more important from the customer's point of view, with a fundamental review of all the regulations governing the circulation of money in Poland.

[Question] A review in itself will not be enough. These regulations should also be reduced in number.

[Answer] Of course, the approach to the review will be fairly radical. Namely, we shall abrogate all the regulations on retaining only those that must indeed be retained, provided that the rationale for their retention is convincing in every individual case.

[Question] This approach was recently tested in Sweden with excellent results.

[Answer] We expect to reduce the number of regulations by 50-60 percent and in this way alleviate life for both the public and the bank employees.

[Question] Don't you think that many of these regulations were introduced in the first place solely because the officialdom is ruled by the principle of mistrust and suspicion of the average citizen?

[Answer] I agree.

[Question] The reform of the banking system presupposes the formation, soon now, of several commercial credit banks, e.g., the Wielkopolski Bank, the Pomeranian Credit Bank, the Silesian Development Bank, etc. Each of these

banks will take over several score branches of the NBP and compete with its fellow banks throughout the country. Does this mean that the PKO too will have competitors?

[Answer] Yes. In this connection we assume the absence of restrictions on banking services. In their turn, therefore, branches of the PKO will in the future be able to operate as lending institutions for enterprises.

[Question] Does this mean that there also will be competition in interest rates offered by discrete banks to savings depositors?

[Answer] Within certain limits to be determined by the central bank, yes. However, what seems to matter more is competition in such matters as interest rates charged on loans, quality of services, and the range of services provided.

[Question] What about loan terms for individuals and enterprises?

[Answer] They may vary depending on the condition of a bank, the size of funds deposited in it, and the creditworthiness of borrowers as evaluated by discrete banks. Of course, the central bank, that is, the NBP, will remain the principal creator and executor of money and credit policies, and a "golden freedom of banking" [a reference to the liberties once enjoyed by the Polish nobility] is not to be expected -- it is nowhere to be found in the world.

[Question] Will the interest rate paid on savings accounts at the PKO or other banks be fixed so that I would not lose because of the inflation?

[Answer] It depends on the size of the savings deposit. Regular savings account throughout the world generally pay very low interest rates, if any at all. But as for longterm certificates of deposit, yes, they should at least pay an interest rate serving to keep up with the inflation, and this will be our objective.

[Question] That's living it up. Does this mean that I will finally be able to go to a bank and borrow for what I want and when I want it, provided, of course, that the bank considers me creditworthy?

[Answer] Ultimately, such are our intentions. I as a banker should not be interested in the purpose of your loan [as published] but only in the terms of repayment acceptable to you and in the collateral you can provide.

[Question] Ultimately, meaning when?

[Answer] I don't want to commit myself at present.

[Question] I know, but let me ask you again.

[Answer] Allow me to stick to the convention of "if." If our program for strengthening money is rapidly introduced, I believe that the transition to an active and aggressive policy on personal loans can be relatively quick, within



1 or 2 years. The more so considering that loan demand can be controlled by manipulating the interest rates. But in this place it must also be said that the era of cheap credit must end. For while the bank is to assure savers of retaining the real value of their money, it at the same time also must assure itself of retaining the real value of its loan capital. Nowadays an applicant for a loan to build a one-family home has to repay only 60 percent of the value of the loan he receives, with the remaining 40 percent being canceled. Loan terms are so favorable, the interest rates charged so low, and the repayment periods so long, that actually the bank recovers barely 18-20 percent of the real value of its loan capital. As a result, there is an avalanche of borrowers and a scarcity of savers.

[Question] The banks also are to engage on a limited scale in commercial activities relating to convertible currencies. Why not make one big step forward all at once and introduce realistic rates of exchange for currencies?

[Answer] It is my desire that foreign currencies remain in the banks alone and, if the program for strengthening the currency is implemented, we shall reach a situation in which Polish currency will indeed become the sole means of payment.

[Question] The intentions of the NBP make no mention of the insurance angle. The PZU [State Insurance Institution] is quite often criticized by citizens, and undoubtedly its resistance to criticism stems from its status of absolute monopoly in insurance. Aren't you interested in this question?

[Answer] Let us say that I don't intend to discuss this subject at present.

[Question] A pity.

[Answer] I understand, but first I want to accomplish a decent banking reform.

[Question] But you have the capital needed to establish competitive insurance societies. Why should not the banks do it?

[Answer] Indeed, throughout the world banking and insurance activities are interrelated. And I believe that the banking reform in Poland will accelerate a reform of the insurance system. I must admit, besides, that I would like to encourage, e.g., trade unions to form their own insurance society.

[Question] The banking reform will also affect the citizens indirectly through the enterprises. What should they expect?

[Answer] Harder credit terms, but also the possibility of choice of the bank. And also that bank presidents will find it easier to refuse credit if they find an enterprise to be not creditworthy. At present it is very difficult for bank to say "no," because it knows that the enterprise has no choice [of another bank]. Similarly, various external pressures will count for less, because the bank president will be able to suggest to the applicant that he try another bank. If an enterprise obtains no loan from any bank, this will of course mean its bankruptcy. All what I am saying is bound to affect the situation of the enterprise's employees.

[Question] Money is the key to everything, right?

[Answer] There is no other force capable of integrating the millions of elements composing the whole of the national economy. The strength of money as a factor organizing the entire economic activity ensues from the fact that it unites in a quite transparent and logical construction the microeconomic level -- that of the household, the enterprise, and the citizen -- with the macroeconomic system. I am absolutely convinced that, historically speaking, an erroneous view of the role of money and its treatment as a mere attribute of a different system of society have been a source of major failures of our country and of the entire socialist camp and probably the greatest 20th-century error.

1386

CSO: 2600/691

## OFFICIAL DEFENDS CHANGES IN LAW ON PLANNING SYSTEM

Warsaw RZECZPOSPOLITA in Polish 15 Jun 87 pp 1,7

[Interview with Zdzislaw Zalobka, director of the Local Planning Taskforce of the Planning Commission of the Council of Ministers, by RZECZPOSPOLITA reporter Bozena Papiernik: "Autonomy of People's Councils" subtitled "Revising the Decree on Socioeconomic Planning"]

[Text] [Question] Under the economic reform, the planning system is being attentively watched, if only because its new form has not yet become consolidated. I propose that in this complex domain attention be focused on issues of greatest practical importance which have not accidentally become the proverbial tongue of the scales during last year's debate about amending certain economic laws, including the decree on socioeconomic planning. Let us begin by recalling the proposed revisions in that decree, which was originally adopted by the Sejm on 18 December 1986.

[Answer] This concerns two questions: first, endowing the chairman of the Planning Commission under the Council of Ministers with advisory powers concerning 5-year voivodship socioeconomic plans from the standpoint of their consonance with the basic objectives and directions of socioeconomic policy and the targets of the National Socioeconomic Plan. Second, this concerns the provision that the chairman of the Planning Commission shall determine methodological principles for the drafting of local plans.

[Question] How are these revisions to be interpreted? What was their motivation? This issue involves many misunderstandings and misconceptions, including the view that these two changes, and especially the first one, restrict the autonomy of people's councils.

[Answer] Nothing could be farther from the truth. These modifications merely define more unambiguously and concretely the interrelationships within the new planning mechanism by specifying the competences already entrusted to the central planner by the existing laws in force. Let me refer here to the following provision of the decree on socioeconomic planning: The voivodship people's council "votes the voivodship economic plan, upon determining its own directions of development of the voivodship, with allowance for the assumptions of the state's socioeconomic policy as expressed in central plans." In other words, the point is that, while planning by the voivodship

people's council retain the virtue of autonomy, it should at the same time be consonant with the state's policy and take into consideration the strategic objectives of socioeconomic development spelled out in longrange central plans. In practice this means nothing other than the necessity of refining the flow of information between the central and local planning systems and mutual exploration of problems and directions of the central policy. In this way, the voivodship councils gain greater knowledge and more information, which they need when analyzing and passing the plans presented to them by the administrative authorities. After all greater knowledge is no defect but on the contrary it strengthens the position and role of the people's councils in both the entire planning process and vis a vis the local administrative authorities.

[Question] But let me again mention the objections and doubts surfacing with respect to the legislative revisions mentioned above. The opinion sometimes is expressed that these revisions signify a return to centralized planning.

[Answer] This view won't withstand criticism. The present planning system, while doubtless still far from ideal, if only in view of its short existence so far, differs fundamentally from the nearly 40 years long previous planning practice based on centralized planning. Nowadays the basic planning powers belong to representative bodies: the Sejm, people's councils, and enterprise self-government bodies. On the other hand, obviously, close linkages between regional objectives and tasks and their national counterparts, as chiefly defined in national socioeconomic plans, exist and must exist.

Let me also point to the linkages of a financial nature, if only in the form of [state] subsidies to voivodship budgets as well as the so-called centralized targeted funds allocated to voivodships in order to finance particular projects of special importance such as liquid waste treatment plants, urban water supply systems, impounding reservoirs, large-scale transportation investments, etc., which, while included in the package of central investments, are bound to influence local economies greatly. This natural meshing of central with local planning logically requires consultations, and these did indeed accompany the work on the 3-Year 1983-1985 Plan as well as the work on the current 5-Year Plan. Hence, the legal regulation of the procedure for plan consultations sanctions this natural and logical practice and will promote its refinement. Two factors deserve special attention. First, longrange plans are subject to consultation, meaning the plans formulating the development strategy rather than those formulating more detailed tasks which remain reserved to the councils and in which the central planner does not interfere. That is one thing. Another important aspect of the matter is that recommendations are presented for consideration to people's councils, that is, to bodies which should act and take decisions in full awareness of their bearing on the state's socioeconomic policy expressed in the national socioeconomic plan.

[Question] Ultimately, a recommendation is not a directive. I believe that the possibility of differences in opinion between local and central points of view should be considered. The planning-recommendation procedure should promote an early identification of these differences and their reconciliation with the object of meshing plans properly. How have the voivodship people's



councils reacted to the recommendations issued so far by the chairman of the Planning Commission?

[Answer] At their sessions, the voivodship people's councils considered their plans from December 1985 till April of this year. No major comments were made, because previous working consultations, which I already mentioned, eliminated from them any differences in policy direction with the central plan. In sum, 21 recommendations on voivodship plans were presented, considered by councilmen, and in some respects incorporated in the plans by them. It is assumed, however, that the current period is a transitional one and the planning-recommendation procedure will be fully adhered to when drafting plans for the next 5-year period.

[Question] The other change in the planning decree concerns the new power of the chairman of the Planning Commission to define the principles for the methodology of the drafting of local plans. Why is this necessary?

[Answer] This change was suggested by voivodship people's councils themselves, which are desirous of more uniform planning procedures. Let me emphasize that the first term of office of the councils under the new decree has confirmed the validity of the solutions adopted 4 years ago. In measure with their possibilities, people's councils increasingly operate as the local powers-that-be, coordinators of local measures. It is a fact that, in accordance with the reform, the planning system has become decentralized. Even so, it has its deficiencies. So far each council has been determining its plans on its own, so that the scope of problems covered by planning and the nature of plans have not been uniform. This also concerns standardizing the information system, which is all the more important in view of the growing role of local planning to the planning system as a whole and the growing importance of local economies to the national economy as a whole. The point is that, to put it briefly, local plans should competently link material to financial tasks, that the competences of all participants in planning, including enterprises as well, be not subject to local authorities, be defined unambiguously, and lastly that, basically, the legislatively safeguarded autonomy of the councils in planning and economy be an actual autonomy, not subject to any restrictions in practice.

[Question] But the problem is that not all the councils know how to adequately avail themselves of the autonomy already granted to them. Perhaps what matters most anyhow is that the financial autonomy of the councils is too limited, that the financial system does not provide sufficient incentives for local economic initiatives. In view of this, are not we overestimating the role of improvements in planning methodology and techniques to strengthening the autonomy of the councils?

[Answer] We must view planning methodology through the prism of the functioning of the entire system for the management of the economy. Essentially, improvements in planning are linked to ordering the division of tasks and competences among the subjects of planning. The financial autonomy of people's councils and their influence on the sources and level of their own revenues will be decisive to the effectiveness of the planning and management of the economy. In working to refine methodology we are at the same time working to develop more effective methods and instruments for influencing economic organizations, to improve the flow of information, etc.

## GENERAL CLAIMS ARMY 'SIGNED ON' EARLY FOR ECONOMIC REFORM

Warsaw ZOLNIERZ POLSKI in Polish 5 Jul 87 p 5

[Interview with Gen. Div. Stanislaw Fryn, Chief of Staff, Deputy Quartermaster General of Polish Armed Forces, by Leszek Ziolo]

[Text] [Question] By way of opening this interview, which will be devoted to the introduction of economic reform in the armed forces, I would like you to explain what the notion of military economy means.

[Answer] Simplifying it greatly, this is the array of issues related to meeting the equipment and material needs of the army, ensuring its required capability and combat readiness and providing conditions for efficient operations.

As is commonly known, defense of the motherland is the basic responsibility of the armed forces. For this responsibility to be efficiently discharged, outlays for weaponry, equipment, training and maintenance of the troops are needed and, consequently, an efficient management system in the armed forces. The management boils down to allocating and using the resources earmarked for defense. It is up to the commanders, staffs and relevant services to manage these resources so as to create conditions necessary for the armed forces to achieve, maintain and improve combat readiness.

[Question] The quartermaster's service also handles the military economy. This is an extensive field....

[Answer] It is indeed, because it includes everything that has to do with the everyday existence of the armed forces and the military community and that is an indirect influence on the regular course of training and indoctrination of soldiers and, by virtue of that, combat readiness. It involves uniforms, nutrition, health care, fuel supply, quarters and construction, management of transportation, rest and recreation.

Quartermaster's services are also responsible for nurseries and day care centers for the children of career officers, trade, production and service operations, such as laundry, production of deli items, repairs of equipment and buildings etc. These operations are closely evaluated by the military

community because they involve matters of everyday existence. We can say that the quartermaster undergoes a continuous exam on his work and management skills.

[Question] What are the economic results of quartermaster's management?

[Answer] Last year, the quartermaster's services of districts and armed services made good grades. That trend has been maintained in the first half of this year, which testifies to proper appreciation of the principles of rational management and skillful use of the accumulated experience.

Let me quote several statistics by way of an example. The plan for production and service operations was overfulfilled by 9 percent. Secondary raw materials worth 410 million zlotys were collected. Three hundred and seventy-three original innovations were introduced yielding 90 million zlotys. In 1986, 16-percent growth of real savings compared to 1985 was registered due to resolutions streamlining the management process.

[Question] Are the savings associated with the economic reform?

[Answer] I can say with satisfaction that the quartermaster's services and units are among the groups which influence tangibly the reforming of the military economy. The above results are associated with implementing the first stage of the economic reform. Among other things, I mean more efficient use of funds and the production and service potential of billeting services and construction, service establishments of the uniform and food supply services and adhering to cost efficiency considerations in military enterprises, especially in the WCH [Military Trade Administration], which has promptly found its niche in the economic reform. The WCH is standing on its own feet, developing and investing. It is turning a profit due to increasing the turnover and attracting clients by affordable prices negotiated with the producers and efficient sales personnel.

The service furnishing motor fuels and lubricants to the armed forces may be another example of rational management. The efficiency of personnel in this service and the implementation of technical and economic analytical models led to savings of motor fuels totalling 227 million zlotys. It is clear how important this is given the tight fuel resources of our state.

[Question] A lot has been said recently about centralized transportation management. This is also a way to save fuel....

[Answer] While every piece of cargo reached its destination, 1,310 tons less fuel was used due to centralized hauling managed and coordinated by the military transportation service using computers. These positive trends are directly related to the implementation of the economic reform in the military economy.

[Question] In which sectors of the quartermaster's economy is it possible to attain self-sufficiency?

[Answer] The armed forces cannot meet all of their needs themselves. Nonetheless, there are spheres where we can approach the threshold of self-sufficiency, for example, in laundry and repair services. In these spheres, we do not use establishments from outside the armed forces. We also produce ourselves certain types of construction woodwork, furniture for barracks and offices, some equipment for small units. The WCH is an entirely self-financing service. It generates considerable funds by developing production of underwear, clothing for children and young people using homeworkers who process the remnants of fabrics which cannot be used in industry.

Let me also quote the example of military farms: as much as 54 percent of pork and fats used by the armed forces comes from pork breeding. In many units, all vegetables come from the plots around the barracks.

As follows from the above, we are trying to use our own potential. Certainly, there is a certain limit which we cannot transcend, marked by the stringent requirement to permanently maintain combat readiness. We undertake new economic tasks only to the extent they do not contradict this requirement.

[Question] One often hears the view that the armed forces have a vital stake in the success of the reform in the national economy. Why?

[Answer] A properly functioning national economy means not only better well-being of the society of which we are a part, but also greater resources for performing defense tasks. This is why we are vitally interested in the success of the reform.

We embarked on implementing the guidelines for the reform in the military economy as soon as they were put forth by the highest party forum. At a meeting devoted to efficient management in the Armed Forces, the system, forms and methods of operation in the quartermaster's service under the economic reform were established. In a word, we signed on for the economic reform in our country.

I would like to stress that favorable organizational, social and material prerequisites for implementing the tasks of the second stage of the reform were created in the quartermaster's service.

[Question] Complex economic issues — often hard to explain in a couple of words. However, I would like to ask — a succinct explanation of what the second stage of the economic reform in the military economy means.

[Answer] Its meaning is the same as in the civilian economy. After all, we are subject to the same rules and resolutions; we do not have special privileges or preferences.

In short, we should mention continuous striving for a better organization of activities and more efficient ways of producing goods. At the same time, a continuous review of positions should go on; certification cannot be a one-time campaign.



We understand the second stage to be mainly the acceleration of measures already underway aimed at streamlining the processes of planning and production, the need to exact more rigorously the principles of the economic reform, to reject compromises and preferential treatment for the weakest. We should struggle harder against sloppiness and existing cases of waste. Same as in the national economy, we want to achieve better efficiency of management, high quality of operations, cost reductions and more economical use of materials in our sector.

There is a perceptible relationship between the quality of management in the army and combat readiness. Therefore, we understand the need to get fully involved in reforming the economy as our duty to care for what is the most important for the army, its combat preparedness.

[Question] Citizen general, you have plenty of experience in managing and supervising the military economy, hence my question: what should be done for the guidelines of the reform to be implemented to the fullest?

[Answer] The success of the reform hinges first of all on persistent effort by both individuals and teams at every position and on every post. We should steadfastly adhere to the principles of the reform and agree to no concessions. Excessively liberal treatment of companies which cannot manage under the conditions of reform harms the entire economy. This is point one.

Secondly, I think that we are making too little use of the available scientific potential. To be sure, we have been able to introduce innovative arrangements successfully in the quartermaster's service, but this still cannot satisfy us. There are considerable reserves in science and in the work of R&D facilities, which should be taken advantage of.

The reform also means the skill of risk-taking, courage in betting on the modern.

Finally, let us say it unequivocally: time is of essence. Let us not waste time! It flies inexorably, and those who stand in place are increasingly pushed to the margin of economic life. I believe that creative use of time is also a condition for the success of the economic reform.

[Interviewer] Thank you for the interview.

9761

CSO: 2600/711

## ECONOMIC WEEKLY EDITOR ASSESSES REVISED LABOR CODE

Warsaw ZYCIE GOSPODARCZE in Polish No 24, 14 Jun 87 p 16

[Unattributed editorial: "What Is Most Important"]

[Text] Discussion of the revised labor code has begun. It is a part of a "greater whole"--a discussion of the second stage of the economic reform. But even this statement does not exhaust the importance of the issue. More is at stake--the formation of new social relations, a new understanding of basic concepts like social justice.

The immediate goal is to increase the discretion of plant managements in the selection of employees, and thus in firing those who have failed or become unneeded because of organizational, technological, or other changes. The current regulations powerfully emphasize social considerations in these cases: seniority, family situation, an unblemished record. It attaches significantly less attention to the economic sense of employing the given worker.

At present legal protection from firing is to be limited to a small number of precisely defined situations: one cannot fire a member of the workers' council and union authorities, or workers two years prior to retirement. The length of notice required will also be shortened.

In the last issue of POLITYKA Stanislaw Podemski reviewed these changes. He does this against the broader background of previous practice, Supreme Court decisions, etc. Nevertheless, he forthrightly says that he does not have a definite position on this matter, for this is a question of reconciling fire and water. Thus, he presents for and against with equal energy. But one aspect of this matter, for me the most important one, was neglected.

Effective, efficient operation of enterprises surely requires many changes, including some in the labor code. The independence of the enterprise should not be limited in the question of the number or the selection of workers, and the current regulations do limit this freedom. They limit them, for the law assumes that in conflicts in labor relations between a director and a worker the latter is the weaker; the law attempts to defend the worker and in this way to strengthen the welfare operations of the state. But it strengthens

them at the cost of the enterprise by sanctioning such phenomena as social employment which is deeply contradictory with the principles of economic rationality.

The revisions in the labor code are the first step toward changing the function of the enterprise in Poland. The last word has not been said in this matter. For we know that the enterprise not only performs a production function or even more broadly an economic function, but also civic, social, and political ones. According to the reform the functions of the enterprises are to be limited to the first, but then we must ask who will take over the other functions, especially the social ones, currently met by the plants? The answer is the state, but until now the state did not fulfill many welfare and social functions through the enterprises by accident, for there were no other organizational structures nor appropriate financial instruments available. One can consider this situation improper, but one must be aware that there are still no other structures nor instruments and thus that a vacuum can develop in a very important area of social life. Anger will then be directed at the economic reform and its supporters.

Here we come to a broader problem. The second stage of the reform calls for many unusually important changes. They are supposed, in the future, to assure a more rapid increase in the national income and better satisfaction of social needs. For now, however, these changes can cause and are causing much fear of needed price increases that cause no enthusiasm, of wage discipline frequently treated as a limitation on raises, of reductions in enterprise social funds, etc. To this we must add the most important issue, fear that the changes in the labor code will deprive a portion of the people of the sense of security of permanent employment. One can respond that this is precisely the point, that those who work poorly are not to have such a sense. This is true. But I wish to draw attention to another issue: above all the second stage of the reform must receive social support. This is the most important issue, which is why it seems to me neither proper nor useful to concentrate, in a short time, undoubtedly needed changes that might cause frustration and focus attention on what the reform requires of people or will require and not on the positive benefits it is bringing or will bring them.

13021

CSO: 2600/718

## COURT REVIEWS WARSAW BANKRUPTCY CASE

Warsaw RZECZPOSPOLITA in Polish 9 Jun 87 p 7

[Article by (z): "Warsaw BUDOPOL Faces the Court" surtitled "Parent Agency Petitions for Bankruptcy" subtitled "Bank Refuses Credit; 850 Million Zlotys in Debt; Who Shall Build the Oncology Center?"]

[Text] (Own information) (C) The strict rules of the economic reform have placed the BUDOPOL-WARSZAWA Enterprise for the Construction of Public Facilities in a critical situation. On 8 June 1987 the Voivodship Court in Warsaw considered a plea for declaring this enterprise bankrupt. The plea was submitted by the parent agency -- the minister of construction and communal economy.

The immediate cause of the plea was the discontinuation of bank credit as of 16 January of this year. This year the BUDOPOL's bank debt amounted to 408 million zlotys; to the [state] budget, 242 million; and to suppliers of materials and services as well as other contractors, 200 million. Altogether, it owes 850 million zlotys.

For a year the enterprise has already been in receivership. To be sure, in 1986 the receivership administrator succeeded in reducing balance-sheet losses, but the parent agency was of the opinion that there was no chance of rescuing the enterprise. As drafted by the receivership administrator, the program for putting the enterprise back on its feet financially was largely based on the expectation of a state subsidy. The administrator accepted the bankruptcy plea.

During the court hearing, the Chairman of the Worker Council at the BUDOPOL Engineer Witold Domanowski submitted a program for rescuing the enterprise, drafted by the council. Below are four principal points of that program: the enterprise is to be relieved of the obligation of building health service facilities, especially the Oncology Center and facilities for the Medical Academy; investors should underwrite the enterprise's losses; the enterprise is to be forgiven the tax on norm-exceeding wages paid in 1985, 1986, and the current years; in accordance with the second stage of the reform, the



enterprise is to be either incorporated or turned into a joint-stock company, with the stockholders to be employees of the BUDOPOL who would buy up the shares. The Worker Council petitioned the Voivodship Court to reject the plea of the parent agency.

The court has taken no final decision, but it placed the parent agency under the obligation of proposing within a month the name of a syndic to handle the bankruptcy and notifying accordingly the administrator in receivership and the Worker Council of the BUDOPOL, with both having the right of opining on that nomination or nominating their own candidates.

It is to be assumed that the BUDOPOL Enterprise will be declared bankrupt. Its buyout will require around 1.5 billion zlotys. But there arises an extralegal question. Namely, that enterprise was commissioned by the government to build the Oncology Center in Warsaw -- a facility being awaited impatiently by many people in Poland.

Now that this enterprise operates in the red and has lost its creditworthiness, it is incapable of carrying out that project. It has declared before the court that even its own recovery program rules out that project, although, incidentally, it had originally been established also for the purpose of building health service facilities. Thus, whatever the court's decision, the question remains: who will build the Oncology Center?

1386

CSO: 2600/691

## CIMAC DIESEL ENGINE CONGRESS TO CONVEENE IN WARSAW

Warsaw ZOLNIERZ WOLNOSCI in Polish 5 Jun 87 p 5

[Article by (ms): "What is New in Diesel Engines"]

[Text] (Own information) Once every 2 years a CIMAC (International Council on Diesel Engines) congress is held. This time the congress, the 17th in turn, will be held in Warsaw on 8-11 June 1987. This is a world forum for the presentation of latest achievements in diesel engines and gas turbines -- not all, because passenger-car and aviation engines are excepted. It is the other kinds of engines, that is, high-pressure, industrial, railroad, marine, and stationary engines, less popular among the public, that are precisely within the range of interests of the CIMAC.

It is worth noting that the abovementioned kinds of diesel engines burn much more fuel than those popular in passenger cars. Since Poland is the first socialist country to host this congress, in its capacity as the host it may propose the principal topics for discussion. Three topics have been selected: fuel conservation, reliability of machinery, and environmental protection. These happen to be the domains requiring a new look and another and more rational approach in this country.

As a producer of large diesel engines, to mention only those built at the Cegielski Plant or in Andrychow or in the Swietochlowice ZGODA Plant, our country is a major producer on the world scene. and we have elaborate outsourcing agreements with many of the world's companies.

What advantages other than the financial ones, obvious in the case of hosting congresses of this kind, will be derived by our engineering thought? This question was answered during a press conference. According to Docent Dr. Eng. Janusz Chudziasek, chairman of the CIMAC '87 Organizing and Program Committee, our specialists will obtain considerable new information and be enabled to establish more readily direct contact with academic laboratories and research institutions as well as to broaden their specialized knowledge. This is all the more valuable considering that in recent years Polish engineers have been virtually isolated from sources of information on latest achievements, the contacts with the world's leading centers were disrupted, and only a handful of Polish experts had attended such congresses in recent years.

This time we will host more than 800 participants from a dozen and half countries in the Congress Auditorium of the Palace of Culture and Sciences. Most of the participants will come from Holland, Great Britain, Finland, the FRG, France, Japan, the United States, and Czechoslovakia. The preceding congress was held in Norway, and the following one is scheduled to be held in China.

Of a certainty, much attention will be devoted to compression-ignition engines, which as power sources continue to be the most economical and most flexible of all heat engines. The useful efficiency of the large machines has already exceeded the 50-percent barrier, and further advances are quite possible. There already exist high-capacity thermoelectric diesel-engined power plants at which the combined utilization of fuel in the form of mechanical power or heating reaches an efficiency of the order of 90 percent. On the other hand, gas turbines are approaching the 50-percent range, though only when their unit capacity is of the order of 100 megawatts.

With regard to the diesel engines burning surrogate fuels, natural gas is becoming increasingly important, and among the new materials used to manufacture the engines the use of ceramic coatings attracts attention. Compression-ignition engines also are used to purify the atmosphere by burning factory exhausts. Coal, even of the low-calory kind, is increasingly often used as turbine fuel.

In sum, owing to the congress (where 150 participants will be from Poland), our native engineering thought will be enriched with many innovations in a field in which, after all, we are not lagging behind the world.

1386

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## BRIEFS

SCI-TECH PROTOCOL WITH USSR--Warsaw, 23 Jun--Poland's Vice Premier Zbigniew Szalajda and Soviet Vice Premier and Chairman of the State Committee for Science and Technology Boris Tolstykh signed here today a protocol on complementing and detailing the Polish-Soviet complex long-range programme of scientific and technological progress. The present version of the programme details concrete executive units and sub-contractors for particular tasks. Technical parameters of final products have been fixed for a majority of tasks. The programme also defines economic units in which they will be introduced as well as approximate needs of the two states for goods introduced in production. It provides for a joint system of current information on the course of work and achieved results. It has been agreed that the system will be operating from October 1, 1987 and that the range of its seasonal information will include performance threats, checks and barriers hampering work on particular tasks. [Text] [Warsaw PAP in English 0008 GMT 24 Jun 87 LD] /9738

IMF MISSION REVIEW--An IMF mission led by J. Prust visited Warsaw to hold the annual consultations in line with the IMF Statute. The mission reviewed the Polish economy with regard to the macroproportions of development in medium-term plans, the state budget, prices, personal incomes, foreign currency rates, and the balance of payments, and studied in detail the principles of the economic reform's second stage. The mission's activities will result in a report on the current condition of our economy and on the planned principles of development in the next few years. During the talks to sum up the mission's activities--these talks were held in the Ministry of Finance under the chairmanship of Minister B. Samojlik--the sides discussed the IMF's preliminary recommendations for the government's further fiscal and economic policies, and reached agreement on the basic aims and lines of these policies. The IMF mission strongly stressed the need to accelerate the development of convertible currency exports and to achieve a balance of payments as the basic condition for regaining loan credibility. Further talks with the IMF will be continued after the mid-September session of the IMF Administration, which will evaluate the materials produced by the present IMF mission. [Text] [Warsaw TRYBUNA LUDU in Polish 4-5 Jul 87 p 2 AU] /9738

WORKERS ON WAGE DIFFERENTIALS--"Let a good worker benefit, the honest worker will not lose, but the bad worker will face the dire consequences"--this is the opinion of more than two-thirds (69.3 percent) of those employed in large state enterprises, while 24.7 percent were inclined toward this position in a



survey titled "In My Factory" conducted by the Public Opinion Research Center. Barely 3.2 percent of the respondents opposed absolute dependence of wages on work performance, while 2.5 percent had no opinion. In view of this, the Research Center asked how much the average worker should earn and how much his outstanding colleague should earn. More than half (50.5 percent) of the respondents agreed to no more than a 25-percent wage differential in such cases. Every third respondent (29.2 percent) agreed that good work should earn from 25 to 50 percent more than average work. Every 10th respondent agreed that an outstanding worker should earn twice as much as an average worker. The respondents who supported the greatest differential for good work in comparison with average work were representatives of the technical intelligentsia. Those who supported the smallest differential were qualified workers. [Text] [Warsaw RZECZPOSPOLITA in Polish 16 Jun 87 p 2] 13021

COMMEMORATIVE PAPAL COIN--The National Bank of Poland is going to mint a new commemorative coin with a nominal value of 10,000 zlotys, bearing the visage of Pope John Paul II. The coin will be minted from 750-proof silver. Its diameter will be 35 mm and its weight 19.3 grams. The reverse of the coin will show the national emblem and the nominal value, while the obverse will show the upper half of the body of John Paul II holding a pastoral staff. The coin was designed by the artist-sculptress Stanislaw Watrobska-Frindt. The coin will be introduced into circulation gradually, beginning with the second half of June 1987. [Text] [Warsaw KURIER POLSKI in Polish 1 Jun 87 p 2] 1386

GENERAL STAFF BRIEFING--A meeting with Minister-Head of the Office of Maritime Economy Adam Nowotnik was organized in response to the great interest of career officers in the entirety of economic problems of the country, including the maritime economy, and on the occasion of celebrating the Days of the Sea. At the meeting, minister Nowotnik discussed in detail the Polish maritime economy in its entirety. He also reviewed its objectives and outlook for development in the next 5 years. In discussing the objectives of the maritime economy, the minister also pointed out the existing shortcomings and difficulties, as well as the domestic and external environment for overcoming them. Subsequently, Deputy Chief of the General Staff of Polish Armed Forces Gen. Bde. Jan Wojtala met with the guest. [Text] [Warsaw ZOLNIERZ WOLNOSCI in Polish 2 Jul 87 p 5] 9761

CSO:2600/711

## KOPECZI NOTES NEED FOR NEW SCHOOL POLICIES INSTEAD OF REFORM

Budapest MAGYAR HIRLAP in Hungarian 28 May 87 pp 1, 4

[Article by I. M.: "Instead of School Reforms, Reformation of School Policies; We Need to Formulate a New Educational Policy"]

[Text] The county deputy council presidents, department heads of education, directors of pedagogical institutes, ideological secretaries of the county party committees, the county secretaries of KISZ committees and of the Union of Pedagogists, and leaders of the educational guidance in Budapest were invited by the Ministry of Education for a discussion to conclude the school year.

The participants of the conference, held yesterday at the Academy for State Administration, were greeted by Antal Stark, undersecretary of the Ministry of Education followed by Bela Kopeczi, minister of education, who talked about the experiences of the implementation of the law on education and the more important goals of the 1987/88 school year.

In recent times, public education is forced to undergo daily scrutiny by the public--began the minister his lecture--which is a confirmation, among other things, that the road toward the development and formulation of the new views on school policy is also demanded by the students, parents, pedagogists and the societal environment. The law and the ordinances by the minister provided a guaranty for the independence of the schools and the assertion of the elemental demands of democracy. In practice, the law went farthest with respect to the reformation of the traditional school policy since it had become obvious to everyone that the functioning of the schools themselves as a bureaucratic official organization is one of the greatest impediments to the renewal of the schools and satisfaction of societal demands.

Summarizing this year's experiences, Bela Kopeczi related that at no level of guidance is there room for impatience because it is obvious that the legal regulation is merely a starting point, it is merely one of the conditions for the professional independence of the institutions and the provision of capacity for self-improvement; the confusion and uncertainties are, one might say, the natural consequences of changing over to the new. While, before the new law on education came into effect, we saw the possibilities of a pedagogical renewal primarily in centrally declared school reforms, now we all

must formulate a new school policy, while in motion, which emphasizes human factors, self-realizing, creative human possibilities, organizational innovations and the consideration of trends in interest in addition to providing the required conditions. Bela Kopeczi stressed that this requires time, for changing earlier habits, and for harmonious and conscious action at every point of guidance.

The Ministry of Education tried--continued the speaker--to promote the uniform interpretation of work to be done, the understanding of the intentions of educational policy expressed in the regulations. The political and mass organizations, forums, debates, and consultations organized by the councils made a useful contribution toward this goal. As a consequence: there was a noticeable increase in the professional activity of educational bodies, work cooperatives and individual educators, an increased inclination toward experimentation, and an increased number of educators chose alternative or individual educational plans. However, it could also be seen--noted the minister--that some of the schools do not yet want to or cannot yet handle the independence and wait for higher instruction even when the problem should be handled locally.

The minister also mentioned the concrete problems which were led, during the current school year, by the preparation of the operational regulations. He stated that self government by students cannot be "introduced" from one day to the next, conditions for it must be created gradually. One must not be impatient regarding the formation of school councils either. It is not surprising that even the new competitive system of institutional leaders still has some unfavorable characteristics as well. (By the way, the number of applicants is smaller than expected.) The most important task is to protect the purity of the competition.

The uncertainties seen in the local-regional guidance of public education were explained by the minister in terms of the future need to harmonize the ideas of the ministry with the changes faced by the state administration. The pedagogical institutes are performing reassuring work in their provision of professional development and service activities.

After describing the tasks faced by individual school types, the report by the minister was discussed by the participants in sections.

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